FOREIGN BROADCAST INFORMATION SERVICE

Daily Report

Central Eurasia

FBIS-SOV-94-110
Wednesday
8 June 1994

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FBIS-SOV-94-110 *8 June 1994*

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DPRK Calls Washington Hypocritical on Nuclear Issue

LD0706141494 Moscow ITAR-TASS World Service in Russian 1153 GMT 7 Jun 94

[Excerpt] [No dateline as received] DPRK Foreign Minister Kim Yong-nam accused the West of applying "double standards" in its approach to nuclear problems. "When there is a question of countries which Washington regards as docile, it turns a blind eye to everything. If, however, insubordinate and defiant countries are involved, the United States spreads false rumors and disinformation, claiming they have seen and discovered things even when they have not seen anything at all," he told newsmen in Kiev.

The North Korean minister made this statement in the context of international pressure on the DPRK because of its nuclear program.

Pyongyang contends that it is only at talks with the United States that a comprehensive solution can be found to problems of the Korean peninsula. Only dialogue with Washington can help the DPRK rejoin the nuclear nonproliferation treaty, the DPRK says.

Kim Yong-nam said his government is looking into Russia's proposal to hold an international conference on security and on the nuclear-free status of the Korean peninsula. [passage omitted]

'Too Early' To Talk About Conference

LD0706172294 Moscow ITAR-TASS World Service in Russian 1633 GMT 7 Jun 94

[By ITAR-TASS correspondent Viktor Demidenko]

[Text] Kiev, 7 Jun—"It is too early to talk about an international conference on the subject of the North Korean nuclear program. We are still studying the Russian initiative," PDRK Foreign Minister Kim Yong-nam said today in an exclusive interview with ITAR-TASS. The minister was reluctant to make further comments. He said that he will speak about this question in more detail at a news conference that will take place in Kiev tomorrow afternoon.

As is known, Russia had recently come forward with an initiative for solving the crisis in the Korean peninsula by convening an international conference to be attended by the two Korean states, the United States, Japan, China, Russia, the United Nations, and the International Atomic Energy Agency.

Kozyrev on Russian Role in International Partnership

LD0706174694 Moscow ITAR-TASS in English 1729 GMT 7 Jun 94

[By ITAR-TASS special correspondents Dmitriy Gorokhov and Nikita Yermakov]

[Text] Paris June 7 TASS—The Organization of Economic Cooperation and Development (OECD) is a representative body, Russian Foreign Minister Andrey Kozyrev who has come to Paris to attend the organization's session told correspondents here today.

The OECD was created by a number of industrially developed states to exchange experience and assistance in consolidation of economies, said the Russian minister. An equal dialogue with the OECD Russia is joining will help Russian efforts to create efficient market economy, he added.

A package of cooperation documents will be signed by Russia and the OECD on Wednesday, and the Russian foreign minister will meet OECD heads and ministers.

According to Andrey Kozyrev, another set of actions to consolidate the Russian status as a full-fledged member of the world leaders' club will soon be carried out. Russia is on the verge of an important agreement with the European Union. The agreement may be signed already this month.

The Russian participation in the Naples meeting of the G7 will be a major event, said Andrey Kozyrev. One can say that the meeting will witness the G7's turning into the "eight" in the part of political dialogue.

CIS Interparliamentary Assembly Calls For Cooperation

LD0806095494 Moscow ITAR-TASS in English 0918 GMT 8 Jun 94

[By ITAR-TASS correspondents Svetlana Ivanova and Lev Rumyantsev]

[Text] St. Petersburg June 8 TASS—The session of the council of the CIS interparliamentary assembly, currently under way here, has called for broader interaction among the parliaments of the Commonwealth of Independent States (CIS).

The session, presided over by assembly chairman Vladimir Shumeyko, has called on the parliaments of the CIS nations to coordinate the actions of all the constitutional bodies in drawing up national legislations, elaborating model legal acts, and implementing the treaties and agreements adopted within the frameworks of the commonwealth. The council stressed the need of promoting exchanges of information, holding consultations on fundamental problems linked with the development of the CIS.

It is planned to discuss during the fifth plenary meeting of the CIS interparliamentary assembly, which will be held from October 28- 29, a plan for the assembly's efforts to harmonise the legislations of CIS nations relating to the economic, social, humanitarian, military and other areas of cooperation within the CIS. The document was drawn up by standing commissions of the interparliamentary assembly.

Shumeyko Opens St Petersburg Meeting

LD0806085994 Moscow ITAR-TASS in English 0653 GMT 8 Jun 94

[Text] St. Petersburg June 8 ITAR-TASS—The Council of the Inter-parliamentary Assembly of the Commonwealth of Independent States has met for a regular session in the Tauride Palace in St. Petersburg.

The session is attended by the heads of all parliaments of the Commonwealth member-states, except Uzbekistan.

In his opening address to the session, Chairman of the council Vladimir Shumeyko, who is also head of the Upper Chamber of the Russian Federal Parliament reported on the implementation of the assembly's earlier resolution on the role of the assembly and its function in strengthening the Commonwealth."

A delegation from the Republic of Moldova led by Moldovan Parliament head Petre Luchinski is attending the session for the first time as its full-fledged member. Another first-comer is Tajikistan Parliament Chairman Emomali Rakhmonov.

The delegation from the National Assembly of Azerbaijan is led by Ali Majlis Chairman Rasul Guliyev, that from Armenia by Parliament Chairman Babken Ararktsyan. Belarus is represented by Mechyslaw Hryb. and Georgia by Parliament Speaker Vakhtang Goguadze. The delegation from Kazakhstan is led by the chairman of the Supreme Soviet of the republic, Abish Kekilbayev and that from Kyrgyzstan by Chairman of the Supreme Soviet Meditkan Sherimkulov.

CIS Industrial Information Network Set Up

PM0706164394 Moscow ROSSIYSKIYE VESTI in Russian 7 Jun 94 p 4

[Report by RIA NOVOSTI correspondent Vladimir Bibikov specially for ROSSIYSKIYE VESTI: "Electronic 'Threads' To Link CIS Enterprises"]

[Text] An interstate electronic system of information cooperation among industrial enterprises has been ratified within the CIS. This decision was reached at a routine conference of the council of CIS industrial enterprise chief designers.

"Some 5,000 plants in six of the biggest Commonwealth countries will be able to pass their customers information on the parameters, cost, and terms for selling their output, and to obtain similar information on other producers' materials and products," Leonid Gancharik, chairman of the chief designers' council and general director of the "Tsentrsistem" Science and Production Association in Minsk, said. "Subscription to the service will make it possible to obtain regular thematic information without any additional request being made, along with an analysis of the market situation regarding availability of goods and their price. Above all, shipments of output under intergovernmental agreements will be placed under operational control."

The creation of this global information network is very important today. Simply reducing crosshauls and "freeing up" middlemen will have enormous benefits—accurate knowledge of the market situation plays a fundamental role in the fate of enterprises. Similar information structures have long been in operation in many industrially developed countries.

Any enterprise with ordinary telegraphic communications, a phone line with a modem, or a fax can link up with the system. These information "nerves" will join up at republic and regional centers. For instance, there will be 12 of them in Russia, linked by high-speed modems. There will be no "main" center in the system—all of them will have absolutely equal rights and technical capabilities. Nor will any country have priority in obtaining, processing, and transmitting important production and economic information.

ITAR-TASS Carries Press Review for 8 Jun

LD0806064294 Moscow ITAR-TASS in English 0546 GMT 8 Jun 94

["Press Review"—ITAR-TASS headline]

[Text] Moscow June 8 TASS—ROSSIYSKIYE VESTI carries an article by State Duma Deputy Vladimir Lysenko under the headline "What Prevents Russia From Becoming a Full-Value Federation".

Lysenko's opinion is that the Constitutions of republics should accord with Russia's fundamental law which is "the cornerstone of the strengthening of Russian statehood and the development of federative relations". "This is, of course, not to the liking of all political forces and their leaders. But we all should move on from words to deeds to create a powerful Russian state," Lysenko pointed out.

In ROSSIYSKIYE VESTI, writer Yuriy Chernichenko, member of the Federation Council and chairman of the Peasants' Party of Russia, describes the current agrarian reform in the country as a slack one. He says it has no proclaimed goals, a manifest, or an ideology. It has, instead, a lot of purely Russian and "Soviet" peculiarities which determine its slack nature and immediate and distant prospects.

The writer's detailed reflections on the subject are to be published in one of future issues of the newspaper.

ROSSIYSKAYA GAZETA interviewed Sergey Belyayev, general director of the Federal Directorate for Insolvency (bankruptcy). He describes the importance of a new concept of the relevant legislation which is being prepared by his organisation.

"Then, we shall have a clear idea of how many enterprises are really insolvent and are potential bankrupts or, on the contrary, can restore their paying capacity".

As of now, he said there are about 1,200 large insolvent enterprises in Russia. Pointing out that most people are psychologically unprepared to seek protection under circumstances unexpected for them, Belyayev draws the following conclusion:" "there is no detonator more dangerous for a social conflict than a quiet self-liquidation of insolvent enterprises".

KRASNAYA ZVEZDA (Red Star) raises the question of the need to enhance social protection of the military, which is essential, first of all, to uphold Russia's interests.

The Army does not ask for something extra. It needs firm social guarantees backed up financially, not lamentations that these are hard times for everyone, the newspaper points out.

KRASNAYA ZVEZDA carries an interview with Igor Puzanov, first deputy commander of the troops of the Moscow Military District, who points out the importance of a rise in the professionalism standards in the forces, which is hindered, he said, by the "scarcity of resources".

"It is possible and necessary to economise but there is the limit below which one should not go in arrangements for combat and operation training of troops and officer personnel. This would be dangerous for the state and would threaten with irreversible consequences", Puzanov said.

TRUD runs an interview with Fyodor Prokopov, director of the Federal Employment Service. He points out that as of May 1, there were 1,180,000 officially registered unemployed in Russia. He predicts that their number will grow to about 12 million towards the end of the year but that six million of them will be able to get new jobs quickly: commercial entities and small-business enterprises gain in scope.

Prokopov urges the jobless to learn to acquire skills that the country needs, monitor the labour market situation and try their hand in new lines of business.

PRAVDA, referring to the data of the Federal Employment Service, writes that the number of unemployed in Russia has grown by 40 percent since the beginning of the year. The highest unemployment rate was observed in the Jewish autonomous region, Evenkia, Karachai-Cherkesia, Amur region and Khabarovsk territory as well as in central regions of Russia.

The newspaper quotes Vice-Premier Yuriy Yarov as stating that mass unemployment threatens with such a social outburst, compared to which hyperinflation consequences would pale into insignificance.

PRAVDA carries an interview with Leonid Filatov, a merited artist of Russia, an actor, stage director and writer, who criticises the country's reform process. In his view, the reforms lead "in a wrong direction".

NEZAVISIMAYA GAZETA runs the full text of a project for the formation of a Euro-Asian union of states. This has been done at the request of Kazakhstan President Nursultan Nazarbayev, who sent the text out to the heads of state of CIS countries.

The document points out that all CIS countries experience a deep crisis. Their development is determined by two trends. There is a further formation of national statehood, on the one hand, and there is a tendency towards CIS countries' integration, on the other.

TRUD interviewed Ukrainian President Leonid Kravchuk who pointed out that Ukraine and Russia had lived "within a single power" for 340 years. No one ever took up arms to fight each other, he said.

"When I am asked whether there will be a war between Russia and Ukraine, I answer 'no' without hesitation," Kravchuk said. "I want relations between Russia and Ukraine to be built with an eye to long-term development", he emphasised.

KOMSOMOLSKAYA PRAVDA singles out a report that Ukrainian nationalists' leader Dmitriy Korchinskiy issued an order to paramilitary units "to be prepared to go to the Crimea". An article to this effect is headlined "They Are Already Prepared To Resort to Killing in the Crimea".

Foreign Ministry Informs U.S. of Airspace Violation

LD0706194594 Moscow Russian Television Network in Russian 1920 GMT 7 Jun 94

[By Tatyana Khudobina, Vesti presenter]

[Text] We have received an urgent report from the Russian Federation Foreign Ministry which says U.S. Ambassador Thomas Pickering was invited to the Russian Foreign Ministry, where [Anatoliy] Adamishin, first deputy foreign minister, told him the following:

On 7 June at 1328 hours Moscow time [0928 GMT], Air Defense Troops spotted a plane 150 km south-west of the town of Adler. The plane failed to respond to the relevant Russian services.

The Air Defense Troops informed the plane's crew that overflight of Russian territory was forbidden. However, ignoring the ban, the plane continued on its course and entered 80 km into Russian airspace.

At 1410 the plane, accompanied by the Air Defense Troops' fighter planes, was forced to land at the airport in Adler. It was established that the plane belongs to the United States, flying the Frankfurt-am-Main - Tbilisi route. No flight plans involving overflight of Russian territory were filed.

The Russian Foreign Ministry expects the American side to adopt disciplinary measures concerning those guilty of the incident, so as to prevent similar dangerous incidents from occuring in the future. The U.S. Ambassador promised to inform the United States leadership immediately of the Russian statement. He expressed gratitude for the fact that in this extraordinary situation the Russian authorities showed tact and understanding and that, once the situation was cleared, the plane was allowed to continue on its way to Tbilisi.

Communication Problems Caused Interception

LD0806133194 Moscow ITAR-TASS in English 1323 GMT 8 Jun 94

[By ITAR-TASS correspondent Irina Shchegoleva]

[Text] Sochi June 8 TASS—The severance of ties and communication between the republics of the former Soviet Union caused Tuesday's incident involving an American plane, according to a duty officer of Sochi's airport.

The plane en route to Tbilisi and Baku to deliver supplies for American diplomats in Georgia and Azerbaijan violated Russia's airspace and was landed at Sochi's Adler airport at 14:37 on Tuesday. Three hours later, at 17:46, when the incident was settled the plane continued the flight.

"Before we had direct telephone lines with all nearest district centres and such an incident could have been settled much faster," Vyacheslav Isayev, duty officer of Sochi's airport, said.

"There are no flights from Adler to Sukhumi (capital of Abkhazia)—neither civil nor military. There is no communication. It is extremely hard to work in such conditions," he said.

Meeting Proposed To Prevent Violations

LD0806141194 Moscow INTERFAX in English 1329 GMT 8 Jun 94

[Text] The incident involving an American Lockheed C-130 that violated the Russian air space on Tuesday and was forced to land by Russian Air Defence in Adler near Sochi is being studied in Washington where all the necessary information was sent. This was reported to Interfax on Wednesday by a spokesman for the Russian Foreign Ministry Grigoriy Karasin.

In his opinion, Americans should be given time to study the circumstances. After that it would be logical to hold a meeting of high-ranking experts from Russia and the U.S. to prevent such incidents in the future, Karasin said.

As Interfax reported, the American plane was flying from Frankfurt-am-Main to Tbilisi. No requests were made for its flight across Russian territory.

On Tuesday evening the Russian Deputy Foreign Minister Anatoliy Adamishin sent a note to the American ambassador in Moscow Thomas Pickering. He hoped that the American side would apply disciplinary measures to those responsible.

Meanwhile, the main air traffic control center of Georgia has told Interfax that it is in no way responsible for the incident involving the American plane as it is does not belong to Georgia.

Moscow Affirms Support for Conference on DPRK

LD0806114894 Moscow ITAR-TASS World Service in Russian 0825 GMT 8 Jun 94

[By ITAR-TASS diplomatic correspondent Vladimir Solntsev]

[Text] Moscow, 8 Jun (ITAR-TASS)—Despite increasing pressure to impose sanctions against the DPRK which, allegedly, is developing its own nuclear weapons, Moscow maintains that this problem should be tackled by an international six-plus-two conference which has been suggested by Moscow. This was reiterated today by Russian Federation Deputy Foreign Minister Aleksandr Panov to an ITAR-TASS correspondent.

"Our position has remained the same as before: We are for the conference, which should tackle this problem,"

the high-ranking Russian diplomat said. "It should be considered multilaterally, since the dialogue on the bilateral level has failed."

The Moscow initiative, which was confirmed by Russian Federation President Boris Yeltsin at his recent talks with President of the Republic of Korea Kim Yong-sam, envisions the convening of an international conference on security and nuclear-free status of the Korean peninsula, with the participation of South and North Korea, Russia, the United States, China, and Japan, as well as the United Nations and the IAEA (the International Atomic Energy Agency). "We believe that this is the way out of the situation," said Aleksandr Panov.

Kozyrev Says Time 'Not Yet Ripe' for DPRK Sanctions

LD0706133794 Moscow Radio Rossii Network in Russian 1300 GMT 7 Jun 94

[Text] Russian Foreign Minister Andrey Kozyrev believes that the time is not yet ripe for international sanctions against North Korea. In an interview for INTERFAX before flying to Paris, he stressed that sanctions can be introduced in stages but only after all other possibilities have been exhausted. In the minister's view, the main possibility is an international conference. Andrey Kozyrev also noted that international measures should be introduced and lifted by the UN Security Council alone.

Yeltsin, ROK President Discuss Results of Talks

LD0806092694 Moscow ITAR-TASS in English 0915 GMT 8 Jun 94

[By unidentified ITAR-TASS correspondent]

[Text] Moscow June 8 TASS—There was a telephone talk between Russian President Boris Yeltsin and President of the Republic of Korea Kim Yong-sam today, the press service of the Russian president reports.

The report says that the "heads of the two states have expressed satisfaction with the results of their summit talks in Moscow and discussed some possible measures to implement the achieved agreements, including those linked with the settlement of the North Korean nuclear problem.

Yeltsin and Kim Yong-sam agreed to continue regular contacts to discuss bilateral relations and the situation on the Korean peninsula."

Kim Meets Maritime Kray Governor

OW0706193294 Vladivostok Radiostantsiya Tikhiy Okean Maritime Network in Russian 0715 GMT 7 Jun 94

[From the "Pacific Ocean" Program]

[Text] Kim Yong-sam, president of the Republic of Korea, arrived in Vladivostok today after concluding bilateral talks in Moscow. He was met at the airport by representatives of the mass media of Russia and a number of foreign countries. Our correspondent, Oleg Padenko, was present at the meeting, and here is his report.

[Begin recording] The brief visit by Kim Yong-sam, president of the Republic of Korea, took place immediately after his talks with Boris Yeltsin and the signing of the joint Russo-Korean declaration on economic, political, and cultural cooperation between Moscow and Seoul. And here I will note that Kim Yong-sam is the first president of the Republic of Korea to visit Maritime Kray where 60,000 of his countrymen currently reside having, in one way or another, settled here after the Second World War. Thus, not only is Maritime Kray close to South Korea geographically, but it also has special historical significance for the Koreans. As was highlighted at this meeting, Korean immigration to the Maritime Kray began over 100 years ago. Some settled here for reasons of poverty and war, others with the aim of continuing the struggle for national independence. For them, the Maritime Kray was the promised land, a firm base for the struggle for independence.

It was also noted that the Maritime Kray now is progressively turning into a center for Russo-Korean cooperation. Specifically, work on a joint fishing program is already being actively carried out here. Our kray is directly associated with the Yakutia, Republic of Sakha, gas project, and a new plan for the development of natural resources of the Russian Far East. Industrial cooperation is developing, evidenced as we know by the creation of the Nakhodka Technical Park, comprised of Korean enterprises; the establishment of sea routes connecting Vladivostok and the port of Pusan; the commissioning of the first direct Vladivostok-Seoul satellite telephone link here in Vladivostok; and finally, the opening of regular air services this year between Vladivostok and Seoul, the capital of South Korea.

Today, the South Korean leader visited the Pacific Fleet's combat ship Admiral Vinogradov, where he specifically noted that such a visit is also a demonstration of partnership and mutual cooperation in assuring international security, specifically on the high seas.

During the brief talks with the high-ranking guest, Yevgeniy Nazdratenko, governor of Maritime Kray, discussed the possibility of mutually profitable ties and guarantees from Seoul in attracting South Korean investment into the kray economy, primarily capital investment in the coal producing enterprises of the kray. [end recording]

Moscow Fears Koreans To Target Embassy in Pyongyang

PM0806082794 Moscow IZVESTIYA in Russian 8 Jun 94 p 3

[Aleksandr Platkovskiy report: "Pyongyang Meets Threat With Threat"]

[Text] Consultations are being held in the UN Security Council about how best to punish the DPRK for disrupting international monitoring of [kontrol nad] its nuclear programs. Meanwhile, Pyongyang is threatening to withdraw once and for all from the Treaty on the Non-Proliferation of Nuclear Weapons.

The majority of Security Council members no longer has any doubt that the introduction of sanctions against the DPRK is the best means of forcing the North Korean leadership to come to its senses. However, Moscow views such a development as extremely undesirable.

Trading interests aside, there is also the Russian Embassy in the DPRK, which the Ministry of Foreign Affairs fears would become the target of the "uncontrollable wrath of the Korean people"—to use Pyongyang's terminology. Our diplomats and their families would feel this wrath directly were Russia to support any sanctions, whose introduction Pyongyang assesses as "a declaration of war."

Meanwile, our military experts are already analyzing the possible reaction of the North Korean leadership to the introduction of sanctions. A military specialist who worked in the DPRK for several years told IZVESTIYA that field commanders are in a state of constant stress. Especially those whose subunits are stationed in the region of the demilitarized zone. No one can predict what may prompt a salvo of fire on Seoul from the almost 10,000 North Korean guns stationed in this extremely dangerous region.

Foreign Ministry Spokesman Holds Briefing

Comments on NATO Pact

LD0706180894 Moscow ITAR-TASS in English 1654 GMT 7 Jun 94

[By ITAR-TASS diplomatic correspondent Yuriy Kozlov]

[Text] Moscow June 7 TASS—The Russian side "is striving for deepened partnership with NATO without mutual vetoes and surprises,". This is the essence of Russian approach to the elaboration of a Russia-NATO program and involvement in the Partnership for Peace Program, head of the Russian Foreign Ministry's Information and Press Department Grigoriy Karasin told a briefing here today.

The official commented on the upcoming meeting of foreign ministers from the North Atlantic Cooperation Council scheduled for June 10 in Istanbul. The Russian delegation will be headed by Andrey Kozyrev.

Moscow has noted recent statements of representatives of several NATO member-states about the readiness to account the Russian role in provision of European security and stability, said Karasin.

Speaking of the North Atlantic Cooperation Council, Karasin said that Russia considers this organization to be important and useful, whose role in the system of European cooperation institutions will increase. In accordance with the Russian concept of European partnership, the council is bound to coordinate cooperation in the military-political sphere, namely peace-making, under the aegis of CSCE, he added. The council could also supervise the implementation of NATO's Partnership for Peace Program.

According to the Foreign Ministry's representative, the Istanbul meeting is expected to result in a political statement on topical issues of European and world politics. The ministers will also discuss and take into account a report on cooperation in peace- making prepared by the council's special group.

Comments on Missile 'Detargeting'

LD0706180394 Moscow ITAR-TASS in English 1442 GMT 7 Jun 94

[By ITAR-TASS diplomatic correspondent Boris Krivoshei]

[Text] Moscow June 7 TASS—Satisfaction was evoked in Russia by statements of the Governments of the United States and Great Britain in connection with the implementation since May 30, 1994, of arrangements between the leaders of the three states on detargeting of stategic nuclear missiles. Grigoriy Karasin, spokesman of the Russian Foreign Ministry, told this a briefing on Tuesday.

The Russian side again expresses the hope that implementation by Russia, the United States and Great Britain of the initiative for detargeting will precede further measures for confidence-building and strategic stability and will set an example to other nuclear powers, the spokesman said.

Discusses Foreign Businesses in Caspian

LD0706225994 Moscow ITAR-TASS World Service in Russian 1452 GMT 7 Jun 94

[By ITAR-TASS diplomatic correspondent Boris Krivoshey]

[Text] Moscow, 7 Jun—Russia has nothing against cooperation between Caspian states and third countries and firms from these countries to undertake exploratory work and process resources on their territory. Grigoriy Karasin, director of the Russian Federation Foreign Ministry's Press and Information Department, stated

this at a briefing today in connection with the appearance in the Russian press of articles on matters connected with exploration for and processing of resources in the Caspian Sea.

However, he noted that with regard to resources in the Caspian Sea, there are extremely serious limitations on unilateral action because of the vulnerability of its ecosystems and the fact that issues concerning the extension of the national jurisdiction of the states on the Caspian coast have not been sorted out. "The danger that such action might damage the rights or interests of other Caspian states is too great. Foreign partners who reach agreement on activities of one kind or another in the Caspian should take this into account," G.Karasin stressed.

The Russian diplomat added that efforts were already being made now to draw up a mechanism for regional cooperation in the Caspian. All issues relating to the use of the Caspian and its resources would be resolved under mutually acceptable conditions, within its framework. "We hope that such a mechanism will be set up in the near future. Until agreement on this is reached, unilateral actions by any Caspian state will not lead to a change in the laws operating in the Caspian and will not be recognized by Russia," G.Karasin said.

Kozyrev: Partnership for Peace 'No Panacea'

LD0706173094 Moscow INTERFAX in English 1517 GMT 7 Jun 94

[From the "Diplomatic Panorama" feature: by correspondents Igor Porshnev, Vitaliy Trubetskoy, and others]

[Text] Russian foreign minister stressed in an interview with Interfax that the NATO Partnership for Peace program was no panacea for Russia. "We are not stuck on this program," he added.

Kozyrev announced that he was going to discuss the issue at the meeting of the NATO Cooperation Council (NACC) in Istanbul in which he would arrive from Paris. "We believe that the NACC is maybe of even more importance than the Partnership for Peace program," he pointed out. We do not agree that the role of the NACC be brought down to that of a NATO adjunct. The NACC has its own future. It lets NATO reorganize itself and launch multilateral cooperation. This is quite an independent direction making a part of pan-European partnership, Kozyrev said.

He also announced that in the near future Russian President Boris Yeltsin would put forward Russia's initiatives on development of pan-European partnership where the CSCE would play the key role.

Kozyrev stressed that Moscow regarded the Russia-NATO document recently introduced in Brussels by Russian Defense Minister Pavel Grachev as much more important than the Partnership for Peace program. Kozyrev stated that the Russian formula in the political sphere of cooperation would be made known in Istanbul. "Afterwards, we will calmly negotiate with NATO, sign the frame document they are proposing and reach an agreement on our Russia-NATO program which is certainly more comprehensive and serious. We take the Partnership for Peace program into account. It is not primarily important for us. However, it is not least important for either," Kozyrev emphasized.

Chernomyrdin on German Visit, NATO Partnership

LD0706171394 Moscow ITAR-TASS in English 1505 GMT 7 Jun 94

[By ITAR-TASS correspondents Gennadiy Kulbitskiy and Gennadiy Temnenkov]

[Text] Mainz, Germany, June 7 TASS— "My official German visit may be held this year," Russian Prime Minister Viktor Chernomyrdin told a news conference here today.

He said they have such plans, but everything depends on certain circumstances. The prime minister visited Germany a year ago, and all programs the sides agreed on are being fulfilled.

A priority of the Russian Government is to create a legal basis for foreign investments, said Chernomyrdin. Russia is closely cooperating with Germany in this sphere. Germany ranks first in Russian-European trade and economic turnover.

At the same time, there were some changes and drops in bilateral relations. In the opinion of the premier, these things are temporary, as Russia and Germany have old traditions and many German firms have long been known on the Russian market.

Russia has changed, and there is plenty of possibilities to develop economic cooperation. The prime minister called on German businessmen for more active work on the Russian market. He said Russia has eliminated many obstacles on the way of economic cooperation.

Asked about the Russian attitude to NATO's Partnership for Peace initiative, Chernomyrdin referred to a recent visit of Russian Defence minister Pavel Grachev to the NATO Headquarters in Brussels.

"We have accepted the NATO proposal to participate in the program, and we are ready to cooperate. We are sure we have done right. I am convinced European problems cannot be solved without Russia, and we will participate in the program regardless any opinions about this. We should establish absolutely normal, partner relations between Russia and NATO," he said.

Asked to comment on Russian reports claiming the prime minister is writing memoirs and planning to publish them in Germany, Chernomyrdin said he writes no memoirs as he has much other work to do.

In conclusion the prime minister thanked German Federal Chancellor Helmut Kohl for assistance to his Mainz visit.

Lobov Views 'Different Attitudes' Toward PFP

AU0806082494 Sofia KONTINENT in Bulgarian 2 Jun 94 p 2

[Interview with Oleg Lobov, secretary of the Russian Federation Security Council, by Andrey Apostolov; place and date not given: "Oleg Lobov: Bulgaria Is Not Interested in Most Modern Russian Weapons Systems"]

[Text] [Apostolov] The issue of Russia's joining the Partnership for Peace program is current. The reactions of certain high-ranking Russian representatives show that there is not a uniform attitude toward this issue at the top.

[Lobov] The Security Council includes the president and the ministers of defense, foreign affairs, and internal affairs, all of whom participate in adopting important decisions, including the decision on the Partnership for Peace. One should not be hasty in anything related to this program. Russia is too big to be pressurized. Its power is equal to that of NATO. It is no accident that when one says that the United States could destroy the world 16 times over, one immediately adds that Russia could do it 24 times. However, this is not the most important issue. We must understand precisely what we would get out of the Partnership for Peace. If Russia has to scrap its arms—this naturally is no partnership. One cannot rationalize in a simplistic manner: We offered our hand (to Russia), you rejected it, therefore you are the bad guys. All issues must be clarified—this includes the arms systems issue, the rights that Russia will have, and so on. The document must be very precise and clear. When the documents will be signed is not the most important issue.

As far as the different attitudes are concerned—this is a natural phenomenon. The minister of defense has his own opinion, and the same applies to the president and the foreign minister. It is precisely those different views and opinions that are being discussed at the Security Council, with a view to working out the most precise position and a uniform point of view. The Security Council still has not expressed its position on the Partnership for Peace program, and is preparing it now.

[Apostolov] Mr. Lobov, what attracted your interest in Bulgaria—our weapons technologies or the possibilities of our military-industrial complex? Will you purchase, sell, or discuss joint production?

[Lobov] We were briefed on the possibilities of the military industry, and naturally, with its problems. We have no intention of purchasing anything.

[Apostolov] Would Russia sell Bulgaria its most modern weapons, for example, the SU-34?

[Lobov] The Bulgarian side did not express any interest in this aircraft.

[Apostolov] What about other systems that are more modern than the MIG-29?

[Lobov] No, the Bulgarians did not request such weapon systems.

[Apostolov] Mr. Lobov, the ratio between the Russian and Turkish naval forces in the Black Sea has changed in the last few years from 2:1 to 1:1.

[Lobov] Yes, this is so, and we must analyze this issue. We must think what could happen in the future against the background of a Black Sea Fleet that is divided between Russia and Ukraine. If the navies of Bulgaria and Russia must be strengthened—then it must be done, and we are prepared to help Bulgaria as partners. After all, if we sign the Partnership for Peace we become partners, is this not so? Our navies must be strengthened. There is a war being waged near our borders.

Kozyrev Attends Paris OECD Meeting

Comments on Ties With West, DPRK

LD0706144394 Moscow ITAR-TASS World Service in Russian 1325 GMT 7 Jun 94

[By ITAR-TASS diplomatic correspondent Dmitriy Chubarov]

[Text] Moscow, 7 Jun—The coming signing of a package of agreements with the Organization of Economic Cooperation and Development (OECD) will be a "major step on the road to implementing a strategy of creating political conditions for an equitable partnership between Russia and the leading Western powers". This was stated today by Russian Federation Foreign Minister Andrey Kozyrev before his flight to Paris. The head of the foreign policy department flew out to the French capital to take part in a special meeting with ministers of the member-states of the OECD which unites the most developed countries in the world.

The ceremony of the signing of a declaration on cooperation between the Russian Federation and the OECD and also an agreement on the OECD's privileges and immunities in the Russian Federation will take place in Paris tomorrow, 8 June.

Dwelling in this connection on Russia's relations with Europe, the minister announced that at the end of the month a big agreement might be signed with the European Union at summit level. "Thus," he added, "this summer we will already start to reap the economic harvest of our political partnership."

At the request of journalists, A. Kozyrev expressed his opinion on the "nuclear problem" on the Korean peninsula and the calls by some countries for economic sanctions to be introduced against the DPRK. "In the final count," he said, "it may come to a stage-by- stage

introduction of sanctions. But before that all the other possibilities should be exhausted, including the possibility of holding an international conference."

Speaking of Russia's possible participation in the "Partnership for Peace" program, the Russian Federation foreign minister stressed that this program not regarded by the Russian side as a panacea. In Istanbul at the end of the week he is to take part in a session of the North Atlantic Cooperation Council. "This course of action is in keeping with our strategy for European partnership," A. Kozyrev said. He said that in the near future the Russian president will make initiatives on this, initiatives in which the central role in the coordinating the process of integration in Europe is allotted to the CSCE.

Signs Economic Agreements

LD0806122094 Moscow ITAR-TASS in English 1123 GMT 8 Jun 94

[By ITAR-TASS correspondents Dmitriy Gorokhov, Nikita Yermakov and Igor Shchogolev]

[Text] Paris June 8 TASS—Russian Foreign Minister Andrey Kozyrev today signed a package of agreements with the Organisation for Economic Cooperation and Development (OECD). It includes a declaration on cooperation between the Russian Federation and the OECD and an agreement between the Russian Government and the OECD on the organisation's privileges and immunities in the Russian Federation.

The documents were also signed by OECD Secretary-General Jean-Claude Paye and chairman of the OECD council session, Vice-Premier and Foreign Minister of Ireland Dick Spring.

The declaration on cooperation envisages, among other things, that Russia will now enjoy the status of observer in various OECD bodies, that it will get access to information possessed by the organisation. The OECD will draw up surveys of the economic situation in Russia, will make recommendations for the implementation of economic reforms, and will assess their effectiveness. The second document signed today lays down the terms for the work of OECD experts in Russia.

Hails New Ties

LD0806132194 Moscow ITAR-TASS World Service in Russian 1211 GMT 8 Jun 94

[By ITAR-TASS correspondents Dmitriy Gorokhov, Nikita Yermakov and Igor Shchegolev]

[Text] Paris, 8 Jun—Closer ties with the Organization for Economic Cooperation and Development [OECD], an organization embracing 25 of the world's most developed countries, will make a real contribution to Russia's integration with the world economy. This was stated today by Russian Foreign Minister Andrey Kozyrev in his address at the signing of a declaration on cooperation between the Russian Federation and the OECD and an agreement between the Russian Government and the OECD on the granting of privileges and immunities for the organization within the Russian Federation. The ceremony was held today at the Paris headquarters of this international organization.

These documents "pave the way for the expansion of effective cooperation between Russia and the OECD in the long term and the mutually complementary interests of both countries," the minister said. "Thanks to its material and natural resources, Russia's involvement with the OECD will help to further enrich trade, economic, scientific, technical, and intellectual exchanges in the extensive Euro-Atlantic and Pacific region," the minister noted. He feels that these documents also provide "further important evidence of the world community's support for economic reforms in Russia."

Karasin on Partnership Agreement With European Union

LD0706224394 Moscow ITAR-TASS World Service in Russian 1512 GMT 7 Jun 94

[By ITAR-TASS diplomatic correspondent Yuriy Kozlov]

[Text] Moscow, 7 Jun—The text of the agreement on partnership and cooperation between the Russian Federation and the European Union is finally agreed and the necessary procedures for it to be signed have begun. That is what Grigoriy Karasin, head of the Russian Foreign Ministry Information and Press Department, told today's briefing for Russian and foreign correspondents. He spoke about the results of the consultations held in Moscow yesterday. Heads of Foreign Ministry political departments from Greece, Belgium, and Germany took part in the talks.

Karasin said that no effort would be spared to ensure that the agreements are signed during the meeting of the European Council's heads of states and governments of the European Union, which will take place on the Greek island of Kerkira on 24-25 June 1994.

The talks participants, the official spokesman of the Russian foreign policy department said, also discussed the problem of nuclear non-proliferation on the Korean Peninsula. Representatives of the European Union, he said, expressed concern at tension increasing there because of North Korea's unwillingness to achieve a comprehensive settlement. In its turn, the Russian side drew attention to the importance of working on the idea of convening an international conference with the participation of the Russian Federation, the United States, China, Japan, North Korea, the Republic of Korea, and also representatives of the United Nations, and the IAEA, so that it could discuss the problem of security in and a non-nuclear status for the Korean Peninsula.

During discussion of the situation in the former Yugoslavia, Grigoriy Karasin continued, it was noted that there was a coincidence of views on and approaches to

the situation in Bosnia- Herzegovina. It was agreed that that there is a need for the Russian Federation, the European Union, and the United States to step up efforts with a view to moving closer to a political solution.

Other topical international problems were also thoroughly discussed. Among them were the situation in the Near East and the implementation of the Israeli-Palestinian agreement, the situation in the Republic of South Africa following the first general elections, relations between Russia and the Baltic region and Ukraine, and peace-keeping operations in Georgia and Nagorno-Karabakh. The representatives of Greece, Belgium, and Germany said that the European Union intends to assist in developing and strengthening the CIS.

Shokhin Says Cooperation Accord With EU 'Virtually Ready'

LD0706141094 Moscow INTERFAX in English 1244 GMT 7 Jun 94

[Text] The agreement on partnership and cooperation between Russia and the European Union is "virtually ready to be signed," an aide to Russia's Deputy Premier Aleksandr Shokhin told INTERFAX on Tuesday.

Shokhin is in charge of preparations for signing the agreement.

As the aide said, the problems, that could hinder the signing of the agreement during the EU summit to be held on the Greek Island of Corfu on June 24-26, have virtually been resolved.

Only the insignificant differences with Greece concerning privileges for merchant ships remain to be settled. Greece wants such privileges to be spread to its ships going under the flags of other countries, such as Panama and Liberia. As for Russia, it insists that the privileges must be applied only to the ships going under their own nation's flag.

According to the source, these differences can be viewed as "technical issues". He said he is firmly confident that the agreement between Russia and the EU will be signed during the upcoming EU summit.

Earlier, during a visit to Moscow by France's Foreign Minister, Alan Juppe, and his talks with Prime Minister Viktor Chernomyrdin, Paris withdrew its reservations concerning Russia's trade in nuclear materials. It's common knowledge that, like Russia, France is a major supplier of fuel for nuclear-power plants in Europe.

UN Security Council Challenged Over Iraq Sanctions

LD0706150094 Moscow ITAR-TASS World Service in Russian 1405 GMT 7 Jun 94

[By ITAR-TASS diplomatic correspondent]

[Text] Moscow, 7 Jun (ITAR-TASS)—Russia is in favor of rigidly observing the appropriate resolutions of the UN Security Council which have established the regime of trade and economic sanctions against Iraq. However, the same resolutions allow supplies of goods and produce to Iraq in the form of humanitarian aid, provided permission exists from the Security Council committee for sanctions, said Grigoriy Karasin, director of the information and press department of the Russian Federation Foreign Ministry, speaking at a briefing today.

In this connection he said that the Russian side is seriously concerned over a number of Russia's humanitarian requests which are now going through the UN Security Council committee for sanctions. In particular, for several years now the Committee has been blocking Russia's request to supply Iraq with equipment in order to continue the construction of Iraq's "Yusufiyah" thermal electric power station .

"We have always believed that the purpose of our project is solely humanitarian. On no account does it contradict the well known resolutions of the UN Security Council, particularly considering that the special missions of the UN which at one time visited Iraq attributed the restoration and the construction of the power station in that country to humanitarian needs," he said.

Soskovets, Malaysian Leaders Comment on MiG-29 Deal

LD0706121194 Moscow ITAR-TASS World Service in Russian 0754 GMT 7 Jun 94

[By ITAR-TASS correspondents Stanislav Bychkov and Oleg Velichko]

[Excerpts] Kuala Lumpur, 7 Jun—Russia has entered the Southeast Asian arms market with the signing here today of a contract to supply Malaysia with 18 MiG-29 fighters. [passage omitted]

It is very important for Malaysia that, by starting wide-scale business cooperation with us, Russia is willing to hand over advanced technology to the Malaysians, [Deputy Malaysian Prime Minister] Anwar bin Ibragim stressed in an interview for an ITAR- TASS correspondent. For this reason, he said, Kuala Lumpur regards this present deal as a first major step in bilateral ties in the development of the industrial infrastructure, power engineering, and other spheres. With full justification one can call today's event historic, both for Malaysia and for Russia, Malaysian Defense Minister Najib Abdul Razak told an ITAR-TASS correspondent. "We are the first country in the region to begin defense cooperation with Russia, cooperation which is destined to open up broad new opportunities for business relations between us," the defense minister said.

In a speech at the signing ceremony, Oleg Soskovets [first deputy prime minister of Russia] pointed out that the contract is evidence of the start of a new stage in the development of bilateral relations. "The main thing

now, from Russia's point of view, is to transform the extensive existing potential into a stable range of practical ties between the two countries," he stressed.

Soskovets on Possible Arms Center in Malaysia

LD0706162994 Moscow ITAR-TASS World Service in Russian 1232 GMT 7 Jun 94

[By ITAR-TASS correspondents Stanislav Bychkov and Oleg Velichko]

[Text] Kuala Lumpur, 7 Jun—"Since Malaysia has become the first country in Southeast Asia to acquire Russian weapons, we discussed the possibility of establishing in this country a center for their further promotion in the region." This was stated to an ITAR-TASS correspondent by First Vice Premier Oleg Soskovets after his meeting today with Malaysian Prime Minister Mahathir Mohamad. The Russian Government's representative is in Kuala Lumpur on an official visit, and was today present at the ceremony of signing the contract for the delivery to Malaysia of 18 Russian MiG-29 fighters.

Malaysia needs new technologies, new scientific developments, and is displaying a practical interest in the sphere of telecommunications and space technology. "They are not wondering like some figures have started doing in Russia about whether to be in space or not, but they intend to get on with it," O. Soskovets said. Thus, during the conversation with the head of the Malaysian Cabinet, accord was reached "on large-scale and long-term scientific-technical cooperation and the transfer of individual Russian technologies to Malaysia." It was an "extraordinarily intensive conversation between two sides with an interest in cooperation," O. Soskovets stressed.

The new Malaysian-Russian relations are "called upon to serve the two countries for a minimum of 20 years," Malaysian Defense Minister Mohamad Najib Abdul Razak stated during today's meeting. The sides discussed the prospects for cooperation in military technology as a result of signing the contract on the MiGs. The war minister called the agreement "the biggest deal with Russia," and expressed "interest" in the development and expansion of such cooperation.

Shaposhnikov Denies MiG's Sold Cheaply

LD0806141594 Moscow INTERFAX in English 1329 GMT 8 Jun 94

[Text] The contract for export of 18 Russian MiG-29 fighters to Malaysia is extremely advantageous for Russia, the Russian president's representative in the Rosvooruzheniye state concern, Marshal Yevgeniy Shaposhnikov told INTERFAX.

"Arms exports are always beneficial, particularly given the current state of Russia's arms complex and shortages of hard currency," he said. He also noted that the Russian-Malaysian contract was the first step towards the introduction of Russian weapons and other goods in this region.

He denied reports that the MiG fighters had been sold at dumping prices. "Simply, part of the MiG fighters' cost will be paid by supplies of Malaysian goods, including palm oil," he said.

He said that before the Rosvooruzheniye concern established its absolute control on the arms market, other agencies had wanted to sign this contract. So all these accusations came from the people who failed to get the deal, he said.

The latest contract could be followed by other ones with Southeast Asian and other countries, said Shaposhnikov.

According to unofficial sources, the contract is estimated at 600 million dollars. Only 20 to 25 percent of the contract will be paid in palm oil supplies.

Deputies, U.S. Senators Discuss Defense Topics

PM0706130794 Moscow KRASNAYA ZVEZDA in Russian 7 Jun 94 p 3

[Own Information report: "Two Countries' Parliamentarians Unite"]

[Text] As KRASNAYA ZVEZDA has already reported, there was a meeting in Moscow on 30-31 May between deputies of the Russian Federation State Duma and U.S. senators involved in defense questions. On the U.S. side the working groups were headed by Senators S. Nunn and J. Exon, on the Russian side by S. Yushenkov and A. Piskunov.

The U.S. legislators voiced extreme concern at the state of civilian control in the defense sphere in Russia. Special attention was paid to the need to monitor the observance of the regime governing the nonproliferation of nuclear weapons and nuclear materials and of chemical and bacteriological weapons and their components. The Russian deputies accepted the need for civilian control within the framework of the approval of the federal budget and verification of its implementation as well as the ratification of international treaties, backed up by the functions of the parliamentary monitoring of their implementation.

During the meeting there was a broad exchange of opinions on the state of affairs in the sphere of strategic offensive weapons. The question of extending the Nuclear Weapon Nonproliferation Treaty in 1995 was regarded as a priority. The two sides agreed that in mutual relations with Ukraine special account is to be taken of the delay in the deadline for the latter's fulfillment of the obligations under the Lisbon protocol on affiliation to the Nuclear Weapon Nonproliferation Treaty, which is holding up the entry into force of the START-1 treaty and the preparation of START-2 for ratification.

Despite the persistent attempts to find coordinated decisions, it has not yet proved possible to find common approaches on the possible levels of the further reduction of strategic offensive arms, even though the sides do not deny the need for that, or on the creation of the conditions for the testing im military theaters of ABM systems relating to the 1972 ABM Treaty.

Considerable attention was paid at the meeting to the use of the U.S. resources allocated by the Nunn-Lugar initiative to the destruction and recycling of nuclear and other types of arms belonging to the Russian Federation. Attention was drawn to the fact that these resources are not being used effectively enough. Of the $432 million allocated in 1992-1993, the Russian side has used less than $100 million. In view of the slow rate at which the executive power structures are concluding the relevant agreements it was deemed expedient to hold joint hearings on this question in fall 1994.

It was noted that joint military exercises are an important measure for strengthening confidence between the two countries. Bearing in mind the complex domestic political situation in the Russian Federation, the U.S. side agreed to propose to its government that the initial stage of the joint exercises by peacemaking forces be switched to U.S. territory.

Clinton 'Very Satisfied' With Relations With Russia

PM0706101394 Moscow KRASNAYA ZVEZDA in Russian 7 Jun 94 p 3

[Manki Ponomarev report: "Bill Clinton: Russia Is a Great Power"]

[Text] U.S. President Bill Clinton, in Europe to celebrate the 50th anniversary of the landing of allied troops in Normandy, is being subjected to a concentrated assault by representatives of the mass media. They are taking the opportunity to interview the head of the White House, to ascertain his views on particular topical issues, and to make them known to the public.

In one such interview which Clinton granted to French television, he specially dwelt on relations with Russia and declared that he was "very satisfied" with their development. In this connection the President emphasized that Russia "really is a great power." At the upcoming G-7 meeting in Italy, he pointed out, Russia will take part at a "higher level than ever" and will participate fully in the discussion of political questions.

Touching on the problem of the Russian Federation Armed Forces' participation in settling conflicts in the former Soviet republics, Bill Clinton pointed out that "Russia can play a leading role in resolving certain problems in that region." But on condition, he remarked, that "the UN and other multilateral forces participate" in this process. "Thus it is not a question of restoring the empire. Great power—yes; empire—no," the head of the White House concluded.

Commission for Missing U.S. Citizens Holds Session

PM0706112994 Moscow KRASNAYA ZVEZDA in Russian 7 Jun 94 p 3

[Report by Yuriy Rubtsov: "'Klaus File' Could Bring Closer Solution to Riddle of the Fate of Many Soviet Citizens Missing Abroad"]

[Text] A routine session—the 10th—of the Russian-U.S. commission for seeking U.S. citizens who have gone missing on the territory of the former USSR has been held in Moscow. According to its cochairman on the Russian side, Colonel General Dmitriy Volkogonov, doctor of philosophical sciences and historical sciences, the importance of the commission's work is increasingly obviously going beyond the framework of purely search tasks, becoming an important factor in the improvement of the climate in our two countries' relations.

But the practical results are also substantial. Thus, Americans have been handed reports extracted from Russian archives about 1,500 U.S. aircraft shot down by Soviet pilots and air defense gunners. Many testimonies from witnesses have been heard, in particular from former Central Aerohydrodynamics Institute staffer P. Kovalskiy, who once took part in the investigation of a U.S. F-86 aircraft sent to the USSR, and now firmly states that the crew was not on our territory at all.

The U.S. side, as Congressman Peterson stated at the press conference which took place, is satisfied with the level of cooperation. It has received access to previously secret documents which are advancing the search considerably. For their part the Americans have provided information about several Soviet citizens whose traces were lost in Afghanistan and other regions.

It should be noted that the emphasis in the work of the joint commission is shifting increasingly to establishing the fate of our compatriots. That cannot fail to cause satisfaction, as can the action of the U.S. side in this direction —we have been presented with the so-called "Klaus file" which contains extensive confidential information from the U.S. special services on conflict situations involving Soviet citizens.

In general, the longer the commission works the clearer it is becoming how much the peoples need such search activity. The embassies of Britain, Italy, Australia, and other states have asked us for help, D.A. Volkogonov noted at the press conference. They are also concerned for the fate of their missing compatriots, and the experience of the Russian-U.S. commission will be useful to them.

Or here is one more example of the public response. During the press conference representatives of the Kuwaiti mass media asked whether the Russian-U.S. commission could not help the return home from Iraq of the Kuwaiti citizens still languishing there. The commission has no legal powers, was the reply, but if instances of

the enforced detention of Kuwaiti citizens are indeed taking place, the commission is prepared to appeal to the world public to promote the humane solution of the question.

Commentary Views U.S. Aid, Privatization

LD0806061394 Moscow NTV in Russian 1700 GMT 5 Jun 94

[Commentary by IZVESTIYA correspondent Aleksandr Shalnev from the "Itogi" program]

[Text] In Russia today the aid that is given by the United States to Russia for our economic reforms—and especially technical aid and technical assistance—comes from the United States via the so-called Agency for International Development [AID]. As was especially stressed recently at hearings of the U.S. Congress, only about 200 million dollars have been used of the 3.2 billion dollars that were allocated to us since 1985 specifically for economic and technical aid. If we focus on Russia, that figure is 140 to 150 million dollars.

The scheme by which this money comes to us in Russia and to other countries of the former Soviet Union is fairly simple: the AID. The agency will earmark credits; to be more exact, it will give grants to appropriate U.S. firms. The latter will send their specialists and consultants here, who work with our organizations, departments, individual enterprises, lawyers, and other people.

In particular, a considerable bulk of such grants and credits has been sent to us as aid to develop our voucher privatization. The interesting thing is that, since most of this money is paid to U.S. firms, consultants, specialists, and technicians, it means that the money, in fact, remains in the United States. Say a consulting firm or some specialists arrive in Moscow or in another town of Russia. Incidentally, they have enormous perks and privileges since they have astronomic daily allowances by our standards. They will stay in a luxury hotel, paying 200 or 300 dollars a night. They arrive on a first class or business class flight. In other words, the main bulk of the money—or a considerable proportion of the money allocated to us—stays in their pockets and is spent in these nonproduction areas.

The U.S. State Department recently evaluated the first privatization period in our country. It noted our successes and failures. It also noted where we have reserves [rezervy]. I would like to draw your attention to one particular shortcoming that was stressed by the State Department. From its point of view, too many shares of privatized enterprises remain in the hands of the workers and managers of these enterprises. Why is this bad? Because the workers and managers of these enterprises have no capacity any longer to improve production. They will primarily take care of themselves and will not resort to measures such as mass layoffs. Naturally, they will spare no effort to preserve their jobs and to ensure bearable living standards for themselves.

The second stage of privatization is going on now. As far as I understand it, the agency has already earmarked some credits and grants to U.S. consulting firms, including Price Waterhouse. These companies are already busy trying to accomplish what has not been accomplished during the first stage. What is now left for us to do is to wait until the State Department takes stock of this stage and tell us what we did well and what we did badly. I think, however, that we will be able to see this for ourselves quite soon.

International Control of Missile Technology Queried

MK0706104094 Moscow NEZAVISIMAYA GAZETA in Russian 7 Jun 94 p 1

[Dmitriy Payson report in the "Armaments" column: "Russia's Missile Technology Passes Under International Control. The Russian Federation Government Is Leaning Toward This Decision"]

[Text] Among the many peculiar things shaping the present-day picture of missile technology proliferation are a number of international protocols and memoranda which apparently have no legal force but which nonetheless are actively being used to bring pressure to bear on those "falling" out of this picture. It would seem a good cause to restrain the proliferation of missile nuclear technology, limit the number of states possessing means of mass annihilation, keep the so-called "threshold" states at the threshold.... Yet not infrequently proliferation control, with respect to its initiators—primarily the developed Western countries and the United States—becomes a kind of tool to maintain the competitiveness of their domestic high technology companies and limit infiltration of Russian and other firms into capacious arms/space markets.

At the Russian-U.S. Information Center in Moscow journalists met with participants in a session of the Missile Technology Control Regime (MTCR) Expert Group: B. Dluzhnetskiy, A. Pikayev, G. Pike, W. Potter, and Chen Yong-pin.

The missile technology proliferation control regime was established in 1987 by seven leading Western powers with the dominant role belonging to the United States. It primarily concerned limiting the export from developed countries of various know-how which could be used to create combat missiles and, naturally, also noncombat rockets, because it is quite an uphill task telling one from the other.

The MTCR was also tested on Russian rocket producers. In October 1993 Russia and the United States signed a bilateral memorandum on observing the basic control regime principles, and its results were not slow in coming. The contract between the Indian Space Research Organization and the Main Space Administration for the delivery of cryogenic missile boosters was in the end "revised" under U.S. pressure; true, the United

States will partially compensate Russia for corresponding losses, but the damage to Russian-Indian relations and the commercial reputation of Russian firms has already been done. Moreover, the Salyut scientific and production association has been left without a lucrative order. At present the Russian Government, as mentioned earlier, is closely examining the question of full accession to the control regime.

Still, it is believed that the MTCR "pluses" for this country outweigh its obvious "minuses." On one hand, who knows where—God forbid—missiles sold in violation of the regime to more or less aggressive states will fly? Considering the "half-life" of the former Union's single air border control system, the consequences could prove catastrophic. Furthermore, it is thought that the signatories to MTCR agreements, having thus recorded their commitment to the regime's ideas, can enjoy certain export privileges and breaks—"in the working process"....

"We are against," it was stated at the press conference, "the control regime's being used by certain states to obtain commercial advantages." In place of sanctions, expert group participants propose cooperation: primarily in creating an international orbital station (it is another matter that Alfa is not a panacea, and that the engine makers themselves will hardly find a worthy place in this international program). Meanwhile the U.S. AEROSPACE DAILY from time to time publishes selections of commercial propositions opening with such "teasers" as: "A Russian space scientific and research organization with extensive experience of work during the days of the Cold War offers...."—and offers you name it. What about a strict technology control regime? Oh, come on! As long as achievements by scientists and designers remain unclaimed in their own country, no control regime will be able to stop "cooperation on the threshold." Except, perhaps, the personal responsibility and good will of the missile workers who understand what can and what cannot be offered to the new "tigers" and "dragons" seeking to supplement their economic accomplishments with missile-nuclear and space "toys."

Armed Forces Chief Meets Syrian Defense Minister

LD0806094194 Moscow ITAR-TASS World Service in Russian 0654 GMT 8 Jun 94

[By ITAR-TASS correspondent Dmitriy Zelenin]

[Text] Beirut, 8 Jun—Lieutenant General Mustafa Talas, the Syrian deputy prime minister and defense minister, held talks with Army General Mikhail Kolesnikov, Russian Armed Forces chief of staff, on 7 June in Damascus. The talks were also attended by Syrian Army General Hikmat Shahabi and Brigadier Generals Ali (?Aslan) and Hasan Turkumani.

Urgent problems of Russian-Syrian military cooperation were discussed at the meeting in the context of the bilateral agreement signed in April this year, which envisages the resumption of cooperation of both countries in this area.

Rybkin Meets Iranian, Cuban Ambassadors

LD0706190394 Moscow ITAR-TASS World Service in Russian 0944 GMT 7 Jun 94

[Text] Moscow, 7 Jun (ITAR-TASS)—Russia today, perhaps as never before, needs interaction between its economy and the economies of neighboring states. It has sufficient resources at its disposal to move swiftly out of economic crisis, and this is the aim of its parliamentarians' daily work. State Duma Chairman Ivan Rybkin said this during a meeting with Ne'matollah Izadi, ambassador extraordinary and plenipotentiary of the Islamic Republic of Iran in the Russian Federation.

New legislation is being drawn up in the Duma which will guarantee foreign investment in the Russian economy. In Ivan Rybkin's opinion, this will permit the scope of traditional Russo- Iranian cooperation to be extended.

The Iranian ambassador agreed with the State Duma chairman about the need to extend bilateral contact in various spheres. He noted that the Iranian leadership attaches great significance to interaction between the two parliaments in inter-state relations.

The State Duma press office reports that also today, the State Duma chairman met Rogelio Montenegro, ambassador extraordinary and plenipotentiary of the Republic of Cuba in Russia.

The two men held detailed discussions about the problem of the U.S. trade embargo on Cuba. Among other things, Ivan Rybkin said that he considers as unnatural any sanctions implemented by force or embargos in inter-state relations. "Such measures can only be justified if there are extraordinary reasons for them," he stressed.

Memorandum of Understanding Signed With OAS

LD0806114194 Moscow ITAR-TASS World Service in Russian 0653 GMT 8 Jun 94

[By ITAR-TASS correspondent Vadim Chistov]

[Summary] Brasilia, 8 Jun—Russia has signed a memorandum of mutual understanding with the Organization of American States (OAS). Russia has been a permanent observer with the OAS since 1982. The memorandum sets the guidelines for cooperation between Russia and the OAS. Russia Deputy Foreign Minister Georgiy Mamedov, who signed the memorandum on Russia's behalf, also delivered to the OAS general secretary, Juao Clemente Baena Soares, a message from the Russian Foreign Minister Andrey Kozyrev.

Churkin Urges Austrians Not To Abandon Neutrality

AU0706111594 Vienna NEUE KRONEN-ZEITUNG in German 7 Jun 94 p 21

[Report by Ferdinand Hennerbichler: "Security Center Vienna"]

[Text] In 1955 our neutrality brought us freedom—also freedom from Soviet communism. Our country became a symbol of detente between East and West, a bulwark of peace against war. Since the demise of the Soviet Union, democratic Russia has shown great interest in preserving neutral Austria's traditional peace role.

"Stay as you are—a neutral country in the heart of Europe, which, with its active policy of neutrality, has made an important contribution to peace in Europe for decades and will continue to do so. You are an asset for more security in Europe!" This conviction is advocated by one of Russia's great intellectual pioneers, Professor Vitaliy Churkin, director of the Europe Institute in Moscow.

In an exclusive interview for NEUE KRONEN-ZEITUNG Prof. Churkin appeals to us Austrians not to let ourselves "be persuaded by anyone" to give up our neutrality because it is outdated and does not have any value in peace times anymore. The opposite is true. In particular in the middle of Europe's gigantic upheaval our neutral Austria continues to play "a central role in Europe's newly developing security system."

In the interview with NEUE KRONEN-ZEITUNG, Russia's great European strategist cites three reasons why Austria should "keep its active neutrality policy":

Military Asset

Neutral countries are states with low armament. Thus, they are "demilitarized zones" without super armament. They do not emanate any military danger. Neutral states with few weapons therefore do not pose any danger of war and mean more security for all Europeans in East and West.

Strategic Asset

Neutral countries like Austria are also buffer zones. They are located like buffers between areas of tension, conflicts, and wars—for instance on the fringe of the war hell in the Balkans. If the neutrals were taken out of the new Europe, enormous contradictions, which still exist on our continent, would threaten to clash directly—without buffers, without safeguards, without brakes. The results would be the escalating danger of direct confrontations in Europe.

Diplomatic Asset

"Europe still needs venues for meetings, for dialogues, and for mediation, such as neutral Austria," Prof. Churkin insists. If such diplomatic oases of neutrality did not exist, one would practically have to invent them to banish war in Europe once and for all.

Prof. Churkin also sees a central role for neutral Austria in the newly developing security system in Europe. Russia's intellectual pioneer for Europe stresses that the new peace system must be supported diplomatically above all by the CSCE. Even though it is lagging behind in development, it should play the main role. NATO should become the backbone, but is "still too highly armed" and must transform itself "more quickly than in the past" from a military alliance to the supporter of a new security system.

"Austria should become a center of the new global security system in Europe," Vitaliy Churkin told NEUE KRONEN-ZEITUNG in an exclusive interview. He does not yet want to commit himself to details. However, he advocates that Vienna become the seat of important institutions, such as a European Security Council or a military committee. Vienna is already the CSCE center for the prevention of conflicts, disarmament, security, and for more trust between East and West.

Ministry Denies Peacekeeper Deployment in Abkhazia

LD0706174294 Moscow INTERFAX in English 1613 GMT 7 Jun 94

[Text] A top-ranking official of the Russian Defense Ministry has said that reports on the start of the deployment of peacekeeping forces in the area of the Georgian-Abkhazian conflict on June 7 are not true.

The Russian general who spoke on condition of anonymity pointed out in an interview with Interfax Tuesday that President Yeltsin had given the Defense Ministry no instructions to start deploying peacekeepers along the border river Inguri to separate the warring sides.

The Interfax interviewee emphasized that the ministry was not entitled to independently make such decisions. At the same time, he did not preclude that the peacekeeping operation could start in the conflict area within the next few days.

With a majority of one vote, the Federation Council declined Yeltsin's request to send a 1,500-strong Russian contingent to the conflict area last week. The deputies decided that the Russian troops' legal status had not been worked through as thoroughly as it should have been done.

Moscow did not preclude that the Federation Council would return to considering the Russian peacekeepers' deployment along the Inguri at its regular session on June 21.

Further on Denial

LD0806145194 Moscow INTERFAX in English 1347 GMT 8 Jun 94

[From the "Presidential Bulletin" feature: compiled by Nikolay Zherebtsov, Andrey Petrovsky; edited by Vladimir Shishlin]

[Text] Russian President Boris Yeltsin has as yet sent to the Russian Defense Ministry no orders to begin the operation on separation of the Georgian and Abkhazian troops, a Russian high- ranking military official told Interfax.

The general asked not to disclose his name. He did not rule out that the peacekeeping operation in the conflict zone might begin in the next few days. However, he underlined that the Defense Ministry could not decide on this independently.

IF Note: Last week the Russian Federation Council rejected the request to send a 1,500-people Russian military contingent to the zone of the Georgian-Abkhazian conflict, put forward by Yeltsin. One voice was lacking to send Russian peacekeepers to the conflict zone. Deputies considered the present legislative basis defining the status of Russian troops abroad to be insufficient. Moscow does not rule out that the Federation Council will go back to discussion of this issue at its next session on June 21. The leaders of the CIS states participating in the treaty on joint security have backed the decision to bring the peacekeeping forces to the zone of the Georgian-Abkhazian conflict. Georgian leader Eduard Shevardnadze and Abkhazian leader Vladislav Ardzinba also supported this decision.

Officials close to Yeltsin have no doubt that for the second time the Federation Council will back the proposal made by Yeltsin. Some experts from the president's administration suggested that the president better not force the developments. Experts repeated that in accordance with the Russian constitution, only the Federation Council can decide on performance of Russian servicemen abroad.

Today well informed sources in the Georgian leadership told Interfax that the Russian peacekeeping forces could start implementation of the operation in the zone of the Georgian- Abkhazian conflict in the next few days. The same sources suggested that the peacekeeping operation could begin during the visit of Russian Defense Minister Pavel Grachev to the Caucasian republics on June 8-11.

IF Note: During his visit to the Caucasian republics Grachev intends to meet Armenian President Levon Ter-Petrosyan, Azerbaijani President Heydar Aliyev and Georgian leader Eduard Shevardnadze. Grachev wanted to discuss with the leaders establishment of Russian military bases in these republics and implementation of the peacekeeping operations in Nagorno Karabakh and in the zone of the Georgian-Abkhazian conflict.

The same sources told Interfax that at the first stage the peacekeeping operation might be carried out only by the Russian units stationed in Caucasus since the Federation Council had not approved of the decision to send Russian "blue helmets" to this region. Discussion of this issue by the Federation Council was put off till June 21. "However, the situation may deteriorate if we keep waiting by this term," the sources suggested.

Georgian Interior Forces Commander Vladimir Chikovani said that the first stage of the operation on separation of the troops in the zone of the Georgian-Abkhazian conflict must begin within the next five days after the trilateral (Georgian-Abkhazian-Russian) working group on deployment of peacekeepers in this region completed its work. Chikovani emphasized that military units of practically all CIS countries would take part in the peacekeeping operation. However, in the very beginning battalions from only the Leningrad, Ural and Privolzhsky military districts of Russia will be used.

IF Note: A peacekeeping battalion has been composed from volunteers on the basis of the Ural military district. It will be brought to the zone of the Georgian-Abkhazian conflict along with other Russian formations, well informed sources in the command of the Ural district announced to Interfax. Ural Military District Commander, Colonel-General Yuriy Grekov already checked the battalion. However, no exact term for its introduction into the conflict zone has as yet been established.

Russia Cancels Economic Limits on Abkhazia

LD0706164194 Moscow ITAR-TASS in English 1405 GMT 7 Jun 94

[By ITAR-TASS diplomatic correspondent Boris Krivoshey]

[Text] Moscow June 7 TASS—Russia canceled economic limits on Abkhazia on May 24, 1994, bearing in mind positive changes in the Sukhumi stand on Georgian-Abkhazian settlement and the grave economic position of the Abkhazian side resulting from the armed conflict, head of the Russian Foreign Ministry's Information and Press Department Grigoriy Karasin told a briefing here today.

"Certainly, corresponding issues should be settled with due account of our essential stand on recognition of territorial integrity of the Georgian republic," said Karasin.

In his words, the United Nations Security Council's secretariat held consultations on cooperation in peacekeeping in Abkhazia late in May in New York. The consultations were held in the presence of Russia.

"Their main result is the end to watchfulness as regards the Commonwealth plans of a peace-keeping operation in Abkhazia, and understanding of the need for close

interaction between our peace- makers and the U.N. mission in the conflict zone," said the Russian Foreign Ministry's representative.

Kozyrev To Discuss Black Sea Navigation in Turkey

LD0706170194 Moscow INTERFAX in English 1512 GMT 7 Jun 94

[From the "Diplomatic Panorama" feature: By Correspondents Igor Porshnev, Vitaliy Trubetskoy, and others]

[Text] Russian Foreign Minister Andrey Kozyrev announced that in Turkey he would discuss the new Turkish procedure for passing through the Black Sea straits of Bosphorus and Dardanelles which Ankara intended to enact from July 1.

"Turkish officials say they stand for free passage established by early conventions. Just some administrative measures are to be discussed in order to reduce harm to the environment and to rule out clashes," Kozyrev underlined. He said it was quite reasonable since every traffic must be in order. The main point is that free passage in accordance with the convention be preserved. We are ready to cooperate. We have all chances to achieve an agreement," Kozyrev concluded.

Turkey to Provide $35 Million To Gagauzia

LD0706205394 Moscow INTERFAX in English 1613 GMT 7 Jun 94

[Text] Turkey will allot a 35 million dollar-credit for development of Gagauzia. President of the self-proclaimed Gagauz Republic Stepan Topal told Interfax in an interview on the results of the visit of Turkish President Suleyman Demirel that 32 million would be utilized for supply of the region with drinking water and 3 million would go for development of the infrastructure.

Topal hoped that the problem concerning the political status of the southern Moldovan region mostly populated by Gagauz, would be resolved in the near future. He suggested that this would help to stabilize the social-political situation in the region and to attract foreing investments.

Commenting on relations with the Transdniestrian leadership, Topal said they remained the same and were proceeding from the treaty on friendship and cooperation signed in 1992.

The fact that Gagauzia seeks cooperation with Turkey rather than with Transdniestria cannot hinder our relations. "Together with Transdnietsria we have stood for preservation of the USSR and we will not refuse from cooperation with the ex-Soviet republics, primarily with Russia," Topal pointed out.

Delegation Flies to Kiev for Black Sea Fleet Talks

LD0706160594 Moscow ITAR-TASS in English 1450 GMT 7 Jun 94

[By ITAR-TASS diplomatic correspondent Boris Krivoshey]

[Text] Moscow June 7 TASS—A Russian state delegation headed by Ambassador at Large Yuriy Dubinin will fly to Kiev on Wednesday to continue the negotiations on the Black Sea Fleet.

The delegation includes Supreme Commander of the Russian Navy Admiral Feliks Gromov, Russian Deputy Minister for Cooperation with Member-Countries of the CIS, German Kuznetsov, and other officials. Grigoriy Karasin, spokesman for the Russian Foreign Ministry told this a briefing on Tuesday.

"The main purpose of the Russian delegation is to try to ensure that questions standing on the road to working out an agreement on the initial stage of the settlement of the problem of the Black Sea Fleet are resolved at the meeting in Kiev on a basis of principles and directives worked out and coordinated at the summit level", the spokesman said.

Experts Meeting Completes Work

LD0706115194 Moscow Radio Moscow World Service in English 1100 GMT 7 Jun 94

[Text] Russian and Ukrainian experts meeting in Sevastopol have completed their work on the classification of the Black Sea Fleet vessels. This has been announced by Ukrainian Vice Admiral Vladimir Bezkorovaynyy.

Also discussed was the issue of bases. The chief Ukrainian negotiator, Deputy Prime Minister Valeriy Shmarov, said the Ukrainian city of Sevastopol in the Crimea would remain the base of the Russian part of the fleet. So far it is unclear where the Ukrainian warships will base.

Yarov Describes Visit to India as 'Successful'

LD0706153294 Moscow ITAR-TASS in English 1343 GMT 7 Jun 94

[By ITAR-TASS correspondent Sergey Bulantsev]

[Text] New Delhi June 7 TASS—"Our delegation's visit to India was successful. In the course of our negotiations with the Indian leaders we were able to work out a mechanism for achieving mutual understanding between our young Russia and the renovated India, and for achieving mutually acceptable decisions," Vice-Chairman of the Russian Government Yuriy Yarov told a press conference here today. He is currently visiting the Indian capital at the head of a high-ranking Russian delegation.

"As a result of the scrupulous work done by the two sides," Yarov said, "we were able to draw up a package

of documents that are expected to be concluded at the end of Prime Minister Narasimha Rao's official visit to Russia at the end of June and the beginning of July. The agreements are practically ready to be signed and they cover many areas of cooperation, including the protection of investments, development of tourism, business partnership in science and technology, implementation of joint ecological projects and measures to protect the environment, etc.

Yarov did not dodge some sharp questions put to him by journalists about the Russo-Indian relations. He stated, for instance, that the results of bilateral contacts over the past two years were unsatisfactory. "At the present time, the trade turnover between our two countries amounts to 25 billion rupees (about 782 million U.S. dollars), which is absolutely insufficient. This sum has to be at least doubled by the end of the year," Yarov stated.

Asked about the irregularity of Russian deliveries of spare parts to the Indian armed forces, the head of the Russian delegation said that this was a "feeble link" in Russo-Indian cooperation.

However, on the whole, Yarov sounded quite op'imistic. Asked by ITAR-TASS to sum up the results of the Russian delegation's work in India, he said: "We were able to do a lot during this brief period, but there is still much work ahead. On the whole, we are satisfied with our results. Our relations with India were made more dynamic. We want to be friends with India and we shall do our best to promote this friendship."

Yarov said that agreement was reached on Premier Viktor Chernomyrdin's visit to India, which will take place in the near future.

Yarov will be received by Indian Prime Minister Narasimha Rao today, after which the Russian delegation will leave for home.

Gas Firm Breaks From Ukraine, Merges With Gazprom

MK0706133094 Moscow SEGODNYA in Russian 7 Jun 94 p 2

[Unattributed report: "YuzhNIIGiprogaz Intends To Affiliate With RAO Gazprom]

[Text] The Donetsk-based YuzhNIIGiprogaz has moved away from the jurisdiction of the Ukraine State Oil and Gas Committee and intends to become an affiliated enterprise of RAO Gazprom. This was announced by the Russian Fuel and Energy Ministry. In the event that YuzhNIIGiprogaz becomes part of the RAO, a precedent will be set for corporatizing Ukraine's gas industry enterprises as part of Gazprom.

Three-Year Timetable for Moldova Withdrawal Proposed

LD0706123094 Moscow Ostankino Television First Channel Network in Russian 1100 GMT 7 Jun 94

[From the "Novosti" newscast]

[Text] The ninth round of Russian-Moldovan talks on the withdrawal of Russian troops from the republic is taking place in Moscow today.

[Unidentified correspondent] Diplomats and military men from the two states are discussing clauses in the basic agreement on the legal status of, procedure for, and scheduling of the withdrawal of Russian troops from the territory of the Republic of Moldova, as well as six attached agreements. According to the agreement, Russia will withdraw all its 50 units and formations, the core of which is the 14th Army, in addition to the 15 military units already withdrawn since November 1992. The troops' withdrawal should, according to the Russian delegation's proposal, be synchronized with political settlement of the Dniester conflict. This proposal met no objection from the Moldovan delegation.

The main role in settlement of the conflict is, naturally, being given to the Moldovan and Dniester sides. Experts have effectively completed the talks on the handover of the remaining property to Moldova and on Moldova's participation in building housing for Russian officers, warrant officers, and their families. In essence, agreement remained to be achieved on just one issue:

[Begin recording] [Unidentified Russian officer, in progress] ...to determine the precise schedule for the withdrawal of our troops—either a calendar schedule, by some date or other, or an overall one, over a specific period. We are now proposing a period of three years.

[Unidentified civilian] On this, we politicians should heed the view of the military, who decide the organizational and tactical processes, the scheduling, and so on. I think we'll find a compromise even on such a difficult issue. [end recording]

[Correspondent] The progress of the talks is giving rise to hopes that the package of documents could be agreed tomorrow at the expert level and passed to the governments for consideration.

Bomb Threat Fails To Disrupt AL-QUDS Festival

PM0706131594 Moscow SOVETSKAYA ROSSIYA in Russian 7 Jun 94 p 2

[Yuriy Nikolayev report: "AL-QUDS Receives Guests"]

[Text] The start of the Palestine Days in Moscow and the festival of the AL-QUDS newspaper was marred by another provocation against this publication. On Friday night Muscovites and visitors to the capital who were heading for the Central Tourist Office in Leninskiy Prospekt were stopped by militia cordons and volunteer

forces. The bewildered participants in the planned ceremonies were told: We have found out that an explosive device has been planted in the concert hall of the Tourist Office, and you are not allowed to go in there.... The plan was simple: Of course people would not go in if there was a bomb there, they would stand about at the entrance for a while, and then go away. However, the organizers of the provocation miscalculated.

Later, when it was established that there were no explosive devices there, the assembled company filled the capacious hall to overflowing....

The festival went on for three days, and each of these days ended with soirees at the Central Tourist Office. And I can say with certainty that these soirees left the guests and the hosts with nothing but good impressions. From talking to the initiator of the festival, the publisher of the AL-QUDS (Holy City) newspaper, Doctor Shaaban Khafiz Shaaban. From the conversations and speeches of famous Russian politicians and public figures. Ruslan Khasbulatov, Ilya Konstantinov, Stanislav Terekhov, Yegor Ligachev, Sazhi Umalatova, Vladislav Achalov, and Valentin Chikin...were greeted warmly and sincerely by the meeting participants. Maybe Aleksandr Nevzorov got more applause than the others, but there is an explanation for this. First, the participants in the festivities greeted him as a State Duma deputy and then as a famous television journalist, and then they greeted his first movie, "Miracle-working," on the bloody events of October 1993....

Artistes Aleksandr Vedernikov, Ivan Yakushin, Valentin Tsvetkov, Tamara Kartintseva, and Tatyana Filimonova, and amateur Palestinian and Russian ensembles certainly enhanced these soirees and gave people a lot of pleasure.

Political Issues

Yeltsin, Grachev at Emergency Meeting on N. Caucasus

LD0706155194 Moscow Radiostantsiya Ekho Moskvy in Russian 1500 GMT 7 Jun 94

[Text] President Yeltsin is holding an emergency meeting to discuss the aggravation of the situation in the North Caucasus. According to information available to Ekho Moskvy radio, the meeting is being attended by Defense Minister Pavel Grachev and Oleg Lobov, secretary of the Russian Security Council.

Security Council Sitting Postponed Indefinitely

LD0706194194 Moscow INTERFAX in English 1807 GMT 7 Jun 94

[Text] The sitting of the Russian Security Council scheduled for June 8 has been postponed for an indefinite time, the presidential press service reported to Interfax. The employee of the press service did not mention the reason of the postponement of this sitting which was to discuss Russian border issues.

Meanwhile, according to Interfax, several key members of the Security Council are not at present in Moscow.

Premier Viktor Chernomyrdin, a permanent member of the Security Council, is on vacation till June 15.

On Tuesday Foreign Minister Andrey Kozyrev flew to Paris and Istanbul.

Defense Minister Pavel Grachev is due to go on a working trip to the Transcaucasian republics this Wednesday.

The Federation Council speaker Vladimir Shumeyko is to chair the sitting of CIS Inter-Parliamentary Assembly in St. Petersburg on Wednesday.

The State Duma speaker Ivan Rybkin, though he is in Moscow, will participate at the plenary sitting of the parliament's lower chamber on Wednesday which is to discuss the most important issue—the draft of the federal budget for 1994 in its second reading.

Vice Premier Sergey Shakhray, leader of the Federal Counterintelligence Service Sergey Stepashin, Interior Minister Viktor Yerin, Emergency Situations Minister Sergey Shoigu, leader of the Intelligence Service Yevgeniy Primakov, and the Security Council Secretary Oleg Lobov are also members of the Security Council.

Yeltsin, Federal Assembly At Odds Over Ambassadors

PM0706154794 Moscow IZVESTIYA in Russian 7 Jun 94 p 3

[Aleksandr Shalnev report: "President's Directive Signed But Still No Clarity. Appointments of 20 Russian Ambassadors Delayed"]

[Text] According to informed sources, the other day President Boris Yeltsin signed an internal directive on the procedure for appointing and approving Russian ambassadors abroad.

This process came to a standstill without even starting, literally after the entry into effect of the new Russian Federation Constitution, whose provisions regarding the procedure for appointing ambassadors caused friction in relations between the Foreign Ministry and the Federal Assembly's international committees, which aspire to the role of active participants rather than passive observers of the consideration and solution of questions of this kind. The Constitution prescribes that appointments are made by the president by agreement with the appropriate parliamentary committees. The term "by agreement" has become a stumbling block: Does it mean that, for example, committees can block a particular nomination proposed by the head of state, or is it merely the case that the president will acquaint himself with the opinion of the committee members but will make the final decision exclusively at his own discretion?

Behind-the-scenes disputes have turned into a situation whereby for the last five months or so not a single nomination has been submitted to parliament for agreement. Consequently, a number of key ambassadorial posts—first and foremost in the United States—remain unfilled. On the whole, according to information from informed sources, around 20 appointments are currently "pending."

Without going into the substance of the president's directive in detail, in conversation with IZVESTIYA Deputy Foreign Minister Sergey Krylov gave an approximate outline of what the appointment process will be: Submitted nominations will be discussed in closed parliamentary hearings and only in closed hearings so that, the deputy minister said, "ethics are not violated and future ambassadors' names are not publicized before these ambassadors have received the host country's agreement." The Constitution, Krylov stressed, does not place limitations on the president in his final choice of a particular ambassador. In other words, even if the nomination is rejected by parliamentary committees the president is nonetheless fully entitled to approve it.

Similarly citing diplomatic ethics, Krylov refused to say in which specific countries changes will take place in the near future, merely observing that, because a Russian ambassador had recently died in a Latin American state, there would naturally be a new appointment there.

Meanwhile, in the State Duma I was informed that there could be talk only of open hearings, which will be closed to unauthorized persons only when it is necessary to consider confidential information. But the parliamentary committees' decisions, submitted directly to the president, will in fact be secret.

"Can the president," I enquired, "insist that the hearings be closed?"

"No," the Duma sources replied, "because the nature of the hearings is determined by internal parliamentary regulations which have already been approved."

After talking to representatives of the Duma, Foreign Ministry, and presidential staff you are unlikely to conclude that even now, with the signing of the directive, all problems have finally been solved and the process of filling vacancies and "rotating" ambassadors will get into full swing, although this is what Russia's foreign policy interests demand.

Car Bomb Kills 1, Wounds Logovaz Director

LD0706184294 Moscow Ostankino Television First Channel Network in Russian 1700 GMT 7 Jun 94

[From the "Novosti" newscast]

[Text] Several hours ago, a terrorist act was perpetrated in Moscow. Our correspondent D. Matyushin has just returned from the location.

[Matyushin] There was a powerful explosion this afternoon at about 0500 hours, near Paveletskiy railway station, alongside the famous Logovaz company. Eyewitnesses stated that as Logovaz General Director Boris Berezovskiy was driving his car out of the gates, a nearby car stuffed with explosives blew up. The driver was killed and the director general's bodyguard was badly wounded. Boris Berezovskiy himself received burns to his face. He was in a state of shock and was taken to the hospital. A driver who was passing by at the time of the explosion was also hurt. The exploded empty car had Lithuanian license plates and a remote control device had been placed in it. According to Yuriy Kolpakov, head of the department of city procuracy, it was a planned attempt on the life of the director of Logovaz.

In Moscow alone in the past six months there have been 10 such assassination attempts. [Video shows badly damaged car, people milling around street]

Further Details on Explosion

LD0806084894 Moscow ITAR-TASS in English 0833 GMT 8 Jun 94

[By ITAR-TASS correspondent Larisa Kislinskaya]

[Text] Moscow June 8 TASS—ITAR-TASS has learned about some details of an explosion, which occurred at 17.20 Moscow time on June 7 near the Paveletskiy railway station in Moscow, opposite the restaurant "Vityaz." It was informed by officials of the Moscow criminal investigations department today that an explosive device of an unknown design was planted in an Opel passenger car, parked next to house no. 40 on Novokuznetskaya Street, where the office of the Logovaz joint-stock society is located.

A Mercedes car, carrying Logovaz President Boris Berezovskikh, was damaged by the explosion when it drove out of the gates of the Logovaz office. The driver died on the spot. Berezovskikh, his bodyguard, and three passers-by were wounded and had to be hospitalised.

Chief of the Moscow Criminal Investigations Department Vasiliy Kuptsov believes the terroristic act was directed against the Logovaz president. But this is only one of the versions. In any case, the owner of the blown-up Opel car with licence plates of one of the Baltic republics has still not been found. The explosion was very powerful.

Experts have still not established the type of the explosive device, but one thing is clear—it was distant-controlled by radio. The investigation is being continued.

The board of the All-Russia Automobile Alliance and the Logovaz joint-stock society has called for immediate vigorous measures to find and punish the criminals, who had attempted on the life of director-general of the All-Russia Automobile Alliance and President of the board of directors of the Logovaz joint-stock society Boris Berezovskikh.

"The attempt on the life of the initiator of Russia's first private investment project, who had earned the trust of millions of Russian citizens and who enjoyed the support of the president and the government clearly shows that there are forces in our society who are vigorously striving to prevent by brutal criminal methods the development of civilised entrepreneurship in the country, to preclude its economic revival," ITAR-TASS was told today at the board of the All-Russia Automobile Alliance and Logovaz.

The board and share-holders of the All-Russia Automobile Alliance and Logovaz believe that the attempt on the life of Berezovskikh, member of the leadership of one of the country's largest financial-industrial groups, can be qualified as a terrostic act and calls for the most serious attention of the Russian law enforcement bodies and the public.

Interior Ministry: Use of Firearms Increasing

LD0706142594 Moscow INTERFAX in English 1032 GMT 7 Jun 94

[Text] The number of crimes committed in Russia with the use of fire arms has increased from 4,000 to 22,500 (more than five times) over the past three years, Head of the Interior Ministry's Public Order Department General Vyacheslav Ogorodnikov announced during a

briefing on Tuesday. Last year alone, 3,000 murders were committed and almost 9,000 attacks made with the use of fire arms.

Ogorodnikov announced that this tendency persisted in 1994. Given this, the Interior Ministry has drafted proposals on amending and enlarging the laws on the circulation of weapons, and proposed measures to toughen punishment for crimes involving fire arms.

According to the ministry, fire arms get into the criminals' hands as a result of improper control during the withdrawal of troops from the former Soviet republics and foreign countries. Over the past three years, more than 38,000 fire arms have been stolen. To quote Ogorodnikov, the openness of the Russian borders and instability in North Ossetia, Ingushetia and Chechnya also facilitate the inflow of fire arms to the central part of Russia.

Yeltsin, Luzhkov, Soskovets Lead Popularity Poll

LD0806115794 Moscow ITAR-TASS in English 1112 GMT 8 Jun 94

[Text] Moscow June 8 ITAR-TASS—A monthly poll conducted by the Association of Political and Economic Experts on order from "THE NEW DAILY" has revealed that President Boris Yeltsin, Moscow Mayor Yuriy Luzhkov, and First Vice-Premier Oleg Soskovets are at top of the list of the most influential politicians in Russia in May.

These leaders scored 54.5, 52.625, and 50.25 points respectively. They are closely followed by Premier Viktor Chernomyrdin (49.75), Central Bank Governor Viktor Gerashchenko (48.125), Yeltsin's body-guard chief Aleksandr Korzhakov (47.75), State Duma Chairman Ivan Rybkin (47.625), National Security Council Secretary Oleg Lobov (46.75), Federation Council Chairman Vladimir Shumeyko (44.5), and the president's first aide Viktor Ilyushin (44.125).

The list published in today's issue of THE NEW DAILY comprises 50 names. The newspaper explains that they are the names of the leading politicians, including the leaders of parties and political movements, executive and legislative bodies of power, information and commercial structures in command of considerable resources and opportunities for making political and state decisions and ensuring their realization.

According to experts, regional leaders and officials of the military-industrial complex "are now on the offensive".

"The modest and quiet Rybkin is today's real alternative to the president," they say. "Unless, of course, the left-wingers and the patriots agree to support a common candidate, as proposed by the Communist Party leader Gennadiy Zyuganov. The largest faction in the State Duma is controlled not by the Liberal-Democratic Party of Russia (50 deputies), and not by Russia's Choice (70), but by the coalition of Communists and Agrarians (100 deputies).

"Sergey Shakhray's rating has not declined as expected" after his dismissal from the post of the minister of nationalities and regional policy, the newspaper says. "Shakhray is an independent figure and his time is not past," the newspaper concludes.

Zhirinovskiy Seeks Ban on Democratic Russia

LD0806120894 Moscow ITAR-TASS in English 1125 GMT 8 Jun 94

[By ITAR-TASS correspondent Pavel Kuznetsov]

[Text] Moscow June 8 TASS—The Liberal Democratic Party of Vladimir Zhirinovskiy, whose programme and tactics were often compared to that of Adolf Hitler, fired back on Wednesday branding the "Democratic Russia" movement as "fascist" and demanding to ban it.

Vyacheslav Marychev, a member of Zhirinovskiy's faction in the State Duma, proposed to discuss the issue of "banning the anti-popular fascist movement 'Democratic Russia'" because, according to him, it is to blame for the current economic plight of the country.

The "Democratic Russia" was the major movement which helped Boris Yeltsin come to power.

The Duma rejected the proposal and Speaker Ivan Rybkin stressed that such a question is outside the powers of the lower chamber.

Parties Holds Anti-Zionist Conference

MK0706115094 Moscow MOSKOVSKIY KOMSOMOLETS in Russian 7 Jun 94 p 2

[Unattributed report in the "Non-Stop Around the Clock" column: "Rutskoy Faces a Poor Outlook in Israel"]

[Text] Recently a theoretical conference was organized at the Central Travelers House entitled "The Ideology of State Patriotism and the Struggle Against International Zionism."

The conference was initiated by the State Party [Derzhavnaya Partiya] led by Terekhov, the Communist Party of Russia, the Officers Union, and the Public Committee for Legality and People's Power. Apart from politicians, the 'struggle' class was attended by AL-QUDS publisher Sha'ban, who rented the Central Travelers House. Various points of view were aired at the meeting but Dr. Sha'ban left everybody else behind. He stated that he had personally recruited Russian guys to send to Israel on a reconnaissance mission. And now he has incontestable evidence that in the south of Israel there are secret bases with chemical and bacteriological weapons. Allegedly, tests on humans are also conducted there. Another speaker explained to the audience that

Rutskoy's mother is Jewish. In Israel, therefore, he would never be elected even to a lousy municipality, let alone the vice presidency.

Officers Union leader Stanislav Terekhov explained to MOSKOVSKIY KOMSOMOLETS's correspondent that the aim of the conference is to work out a political course and an ideological program for the State Party. Terekhov does not intend to affiliate with Rutskoy's State [Derzhava] political movement. His decision is final and irrevocable.

New Regional Democratic Union Formed

MK0706094094 Moscow SEGODNYA in Russian 7 Jun 94 p 2

[Gleb Cherkasov report in the "Project" column: "Rank and File Democrats in the Regions Are Accustomed to Working Together. A United Democratic Center Has Been Formed"]

[Text] On 4 June a conference was held in Moscow by activists of regional branches of the Party of Russian Unity and Accord [PRES], the Russian Social Democratic People's Party, the Democratic Party of Russia, Russia's Choice, the Russian Democratic Reforms Movement, and other parties and movements that are or were part of the democratic political spectrum. Furthermore, State Duma deputies and Duma faction and political party experts also took part in the conference.

According to the conference organizers, the need for holding such a meeting was conditioned by the crisis currently unfolding in regional democratic organizations, and also the results of elections to the Federal Assembly and local representative power bodies. Thus, organizing committee representative Vladimir Zharikhin (PRES apparatus) noted that conflicts "at the top" between Moscow leaders negatively affect the activity of provincial primary cells. According to Zharikhin, the reason for the centrist associations' relative failure in the elections was the fact that their leaders did not manage to come to agreement among themselves, while the activists of various regional party branches are accustomed to working together, under "one roof." Irina Zubkevich, deputy chairperson of the Duma Committee on Public Associations and Religious Organizations (Democratic Party of Russia faction); and Vladimir Komchatov, the president's representative in Moscow, confirmed their colleague's point, noting that the "provincials," who have worked together for many years, often do not understand the reasons for disagreements in Moscow. At the same time, some of the "regionals" said quite openly that elections to the Federal Assembly destroyed democratic blocs that had existed for several years. It was no accident that the new organization's first statement says that "the leaders' interests are isolated from the interests of individual people, voters, and rank and file members of political parties." The conference participants virtually unanimously recognized the need for a new association. In this context one of the participants observed that "unless we hang together, we shall all hang separately."

Judging by the organizers' plans, the United Democratic Center will not necessarily acquire the form of an election association or independent political party. At least, the majority of the conference participants did not express the wish immediately to leave their parties' ranks. The new organization intends to promote "a new political wave that would bring up new leaders and create new organizational forms of democratic activity." To accomplish these aims, the United Democratic Center plans to create an information network and organize political workshops inviting foreign experts. The creation of financial groups to support regional democratic organization activities is not ruled out.

Justice Ministry Registers 'New Names' Movement

MK0806084094 Moscow SEGODNYA in Russian 8 Jun 94 p 2

[Gleb Cherkasov report under the "Continuers" rubric: "'New Names' Casts Off 'Russia's Future'"]

[Text] The electoral association "Russia's Future—New Names," which failed to clear the 5-percent hurdle in the race for deputy seats, now has a successor. The other day the Justice Ministry registered an interregional movement calling itself "New Names," which has been joined by some participants in the electoral bloc of the same name, including federal ticket leaders Vladimir Mironov, director of the Institute of Politics; and Oleg Sokolov, chairman of the youth organization of the Russian Social Democratic People's Party. At the same time, Vyacheslav Lashchevskiy, chairman of the Russian Youth Union, who used to head the electoral bloc, will not take part in the forming of the new organization. "New Names" intends to adhere to a social democratic trend and keep in touch with all public political associations far removed from extremism.

To date, "New Names" has six regional organizations in Tataria [Tatarstan], Bashkiria [Bashkortostan], and Tambov, among other places. According to "New Names" spokesman Artem Smolyannoy, primary organizations were set up in those regions where the electoral association managed more than 5 percent of the vote. Mr. Smolyannoy pointed out that although many activists of "Rutskoy's Party" participate in the work of the new organization, most of the participants in the project have nothing to do with the Russian Social Democratic People's Party. This perhaps explains why "New Names" is quite ready to accede to the Treaty on Accord. (Their signature is not there yet because they have not been invited to add it).

Extensive Corruption in Agriculture Ministry Alleged

PM0806115394 Moscow KOMSOMOLSKAYA PRAVDA in Russian 8 Jun 94 p 1

[Viktor Chemodurov report under the "Furors" rubric: "Where There Is a Bribe There Will Be a Song"]

[Text] Passions are seething in Orlikov Lane, the site of Minselkhozprod [Ministry of Agriculture and Food], following the arrest of Ivan Romakh, chief of the Main Administration for Financial Regulation. Staff at the headquarters of the department that provides the country with its grub are playing a guessing game: Who will be next to go?

A conversation with one Minselkhozprod staffer on the topic of current morals at the ministry yielded information which sheds light on a number of things.

According to this specialist (he asked us not to reveal his name), Ivan Romakh merely "allocated" concessionary credits from the state budget on self-interested terms; the credits were actually released, that is to say approved, by Deputy Minister N. Averyanov, who handles finances. It might be a coincidence, but a fact remains a fact: Following Romakh's arrest, Deputy Minister Averyanov was urgently admitted to hospital.

In light of this, the interest displayed by I. Gridasov, chief of the Agriculture Main Administration, in the affairs of the "Rostok" private firm is becoming increasingly apparent. He knows, of course, that in the spring of 1992 R. Kozhenkova, the firm's general director, signed a contract with Finland's state grain storage organization to supply her firm (which at that time was called "Russian-Serbian Seeds") with 20,000 tonnes of Finnish selected oat and barley seed worth $5 million. The firm received the seeds from the Finns but has still not paid for them.

Even with this knowledge, Gridasov still respects the "Rostok" firm. Last summer, as a member of a delegation from this firm, he even visited the former Yugoslavia. And then, needless to say, he sowed Yugoslav seeds on Russian fields, having secured a state subsidy to do so.

"Rostok's" interests are also championed by Ye. Zozimovich, chief of the Seed Production Administration. In addition to the interests of another firm—the "Roskukuruza" firm. Meanwhile we have reliably been informed that there are documents at Petrovka Militia Station which prove that A. Taratushka, "Roskukuruza's" deputy director, took cash bribes worth thousands of dollars from a specialist in the Kalmyk Ministry of Agriculture in order to "encourage" Ministry of Agriculture staff.

"Roskukuruza," incidentally, has obtained Ministry of Agriculture apartments in Dayev Lane, and now the firm's directors spend whole days in Gridasov's or Zosimovich's office.

The source of our information is convinced that Minselkhozprod staff are feeding state loans to private firms, only the scale of the corruption is more extensive that appears at first glance.

Moscow Hosts Conference on Migrant Problems

LD0706144494 Moscow ITAR-TASS in English 1323 GMT 7 Jun 94

[By ITAR-TASS correspondent Lilia Kuznetsova]

[Text] Moscow June 7 TASS—The international conference on problems of refugees and displaced persons on the territory of the former USSR, which opened here today, is to discuss the reasons and consequences of forced migration, the legal status of refugees, and the role of public organisations in the effort to alleviate the lot of Russian citizens, who are compelled to seek asylum in Russia.

In his greetings to the participants of the conference, President Boris Yeltsin noted that "a tight knot of contradictions" was created by the problem of refugees, and that it could be resolved only "on the basis of common sense, good will, sense of responsibility to the current and future generations, and through corresponding state agreements". Expressing the conviction that Russia's efforts in this direction would be crowned with success, the president wished the forum successful and fruitful work.

The speakers, who took the floor during the conference, drew attention to the problem of guaranteeing human rights and liberties, to the lot of national minorities in Russia, in the CIS countries, and in the Baltic states. They focused on the need to ensure the property rights of refugees, to settle their housing problems, to provide them with jobs, and to help them adapt themselves to the new places of residence.

The importance of the problem is borne out by the figures contained in the report delivered by head of the Russian Federal Migration Service Tatyana Regent. She said that there were already 500,000 refugees on the territory of Russia, in addition to one million displaced persons and half a million economic migrants, who are not of Russian origin. Four hundred thousand more people will arrive shortly from Transcaucasia, approximately the same number from the Baltic states, and about three million migrants from central Asia and Kazakhstan, provided the situation in Russia developed "smoothly".

"They can be accommodated in Russia," Regent believes, "only if the state, the public organisations, and the rank-and-file Russians pool their efforts to achieve this end." This view is shared by representatives from the national peace foundations of 14 CIS countries and Baltic states, the Russian Federal Migration Service, the Department of the U.N. High Commission for Refugee Affairs, the International Migration Organisation, the Commission for Problems of Citizenship under the

Russian president, the Russian Foreign Ministry, the Russian Orthodox Church, and other organisations taking part in the conference.

Emigrants Decrease; Majority Go to U.S.

LD0806120594 Moscow INTERFAX in English 1020 GMT 8 Jun 94

[Text] The number of emigrants is decreasing in Russia. Over the past four months it has gone down by 20 percent compared to the same period last year, Head of the Moscow Interior Department's division for visas and registration of foreign citizens, Sergey Alpatov, announced during a briefing on Wednesday.

He said that Russian emigrants gave preference to the U.S. Out of the 2,757 Muscovites who have emigrated over the past our months 1,443 chose the U.S., 636—Israel and 445 Germany. Russian citizens are emigrating to a total of 37 countries.

About 500 people have applied for Russian citizenship; 1,457 have already been granted Russian citizenship. Most of these people are residents of the former Soviet republics or individuals deprived of citizenship for emigrating to Israel.

To quote Alpatov, the Moscow authorities are re-registering refugees from foreign countries. About 700 refugees have already been re-registered.

Alpatov also announced that about 100,000 foreign citizens currently live in Moscow; 2,950 permanently.

Curbs on Fascist, Erotic Publications Considered

PM0706133194 Moscow TRUD in Russian 7 Jun 94 p 2

[Vladimir Tereshchenko report: "Will Fascism and Erotica Get By?"]

[Excerpt] The Russian Federation Committee for the Press (Roskompechat) has set about working to expose newspapers of fascist orientation published in this country, Roskompechat Deputy Chairman Sergey Gryzunov reported to INTERFAX. In his words "it is essential to close off the routes by which these publications appear and, apart from this, establish who is financing and distributing them."

S. Gryzunov noted that Roskompechat is enlisting representatives of the Moscow Antifascist Committee, journalists, as well as foreign diplomats from countries where the problem of neofascism has been encountered, in its work to expose papers of fascist orientation.

"It is essential for us to work out our approach to state policy on this kind of publication," he said. He also noted that after those papers of fascist orientation existing in Russia have been exposed, a ban will be imposed on the publication of at least some of them.

The mayor of Moscow has banned the sale of erotic literature on the capital's streets, having given orders to immediately regulate the distribution of such products. Yu. Luzhkov has given prefects one month to identify the commercial outlets on each's territory which might be used to sell these particular goods. [passage omitted]

Economic Issues

Latest on Privatization, Chubays-Luzhkov Controversy

Voucher Privatization Process To End 30 Jun

LD0806120694 Moscow ITAR-TASS in English 1114 GMT 8 Jun 94

[By ITAR-TASS correspondent Igor Galkin]

[Text] Moscow June 8 TASS—"We shall not prolong the voucher privatisation," head of the Russian state property committee Anatoliy Chubays told a press conference here today. This means that the ongoing voucher privatisation process will end on June 30. Chubays stressed that "it will be rounded off with flying colours by June."

He told the press conference that he signed an order today to auction off 63 enterprises, which will be sold for privatisation vouchers. They include the "Apatite" production society, the Leningrad "Svetlana" association, the "Beryozka" trade house, and the "Norilsk Nickel" concern". This will allow the future share-holders to make use of their remaining vouchers. As many as 126 million vouchers out of the issued 148 millions have already been used. Chubays noted that the actual size of dividends received for invested privatisation vouchers proved to be not as fantastic as initially expected. They fluctuate from 10 to 200 percent a year.

Filatov Supports Chubays

LD0706221994 Moscow ITAR-TASS in English 1445 GMT 7 Jun 94

[By ITAR-TASS correspondent Tamara Zamyatina]

[Text] Moscow June 7 TASS—"Law is on Chubays' side". Sergey Filatov, chief of the Russian president's administration, said this in answer to a question from ITAR-TASS about his stand on a conflict regarding privatisation between Russian Deputy Premier, Chief of the State Committee on Property Anatoliy Chubays and Moscow Mayor Yuriy Luzhkov.

Filatov believes that to change the rules of privatisation of state property 20 day before the validity of vouchers expires means to undermine the confidence of citizens in the authorities.

Luzhkov Allows Registration of Joint Stock Companies

LD0706222294 Moscow ITAR-TASS in English 1639 GMT 7 Jun 94

[By BUSINESS-TASS]

[Text] Moscow June 7 TASS—Moscow Mayor Yuriy Luzhkov has canceled his instruction of April 1, 1994, which banned registration of joint stock societies in Moscow, the press service of the Russian State Committee for Property reports today.

Russian Prime Minister Viktor Chernomyrdin sent a letter to Luzhkov on May 27 to demand cancellation of the illegal instruction within three days. The mayor told a news conference on June 3 he does not plan to change his instructions and "will gladly go to the procurator's office" to prove the correctness and lawfulness of "special privatization" in the Russian capital.

"The cancellation proves that Yuriy Luzhkov has admitted gross violations of Russian legislation, presidential decrees and government resolutions on privatization. The Federal Committee for State Property Management is ready to help Luzhkov in restoration of lawful privatization in the city of Moscow," says a statement of the press service.

Practical Effect of Bankruptcy Edict Explained

PM0706100994 Moscow ROSSIYSKIYE VESTI in Russian 7 Jun 94 p 1

[Nikolay Gorlov report: "Debtors Should Be Bought By Tender"]

[Text] Russian President Boris Yeltsin signed the edict "On the Sale of State Debtor Enterprises" 2 June. Sergey Belyayev, general director of the Federal Administration for Insolvency (Bankruptcy), comments on it.

"The new presidential edict marks the start of practical selective [selektivnyy] work to restructure industry. Let me say right away that it will not be a case of treating everyone alike. For instance, there are enterprises owed money by the budget. Naturally, an entirely different approach will be taken with them.

"Clearly, a general point will be that labor agreements with the leaders of insolvent enterprises will be torn up and management transferred to a newly created collective organ with the participation of state representatives.

"In principle the sales procedure laid down in the edict is aimed at preventing bankruptcies. I am confident that many enterprises and their leaders who receive insolvency notices will themselves try to get out of the danger zone.

"As I have already said, the measures stipulated by our legislation will be taken against those for whom this proves too much. Incidentally, apart from selling off enterprises, there could also be decisions on state support, reorganization, and so forth.

"Talking specifically about the sale of enterprises, this is a question of espousing the generally accepted world practice and moving to a fundamentally new type of privatization. Any corporate bodies or individuals will be able to take part in the tenders—including foreigners, who are permitted to do so under existing regulations.

"A whole host of extra conditions—on the procedure for repaying debts, on investment, the retention of jobs, and so forth—may be stipulated when a debtor enterprise is being sold off."

Further on Aims of New Bankruptcy Edict

MK0706092094 Moscow SEGODNYA in Russian 7 Jun 94 p 2

[Mikhail Lantsman report in the "Insolvency" column: "Russian Bankrupts Will Pass Under State Trusteeship. Their Property Will Be Available for Purchase for One Ruble"]

[Text] By the end of this month the first decisions will be made on competitive sell-offs of state enterprises considered insolvent. This was announced by Sergey Belyayev, chief of the Federal Administration on Insolvency (Bankruptcy) under the Russian Federation State Property Management Committee [Goskomimushchestvo], at a press conference yesterday devoted to the presidential edict "On Selling State Debtor Enterprises." All decisions will made by a special commission created by the Administration, taking into account the opinion of sectoral ministries and regional authorities.

According to Goskomimushchestvo, approximately 100,000 Russian enterprises can today be classed as state controlled. Federal Administration on Insolvency (Bankruptcy) experts made a preliminary analysis of the payment balances of medium-size and large enterprises with a staff of over 1,000. The results of the examination have shown that approximately 1,500 enterprises with a state share in their incorporation capital of over 25 percent fall under the criteria of insolvency. The most difficult situation has developed in the textile industry, machine building, and the transport sector.

By 1 July, according to Belyayev, his department will prepare a list of potential bankrupts. As of now 30 enterprises have been officially ruled insolvent, 20 of which are in Moscow. Moscow's predominance, however, administration officials explained, is in no way related to the confrontation between Goskomimushchestvo Chairman Anatoliy Chubays and Moscow Mayor Yuriy Luzhkov. It is simply that the proximity of the Moscow industrial region to federal power bodies makes Moscow a convenient ground for testing bankruptcy procedures.

In spite of a large number of organizations that meet insolvency criteria under the presidential edict, Mr.

Belyayev noted that the document's thrust is to prevent the real bankruptcy of state enterprises. The state legalizes its ownership rights in order to stop the spontaneous self-dissolution of enterprises, prevent latent unemployment, and in a civilized manner resolve the payments crisis, he said.

The entire process—from deeming an enterprise insolvent to making a decision to sell it—envisions a whole number of procedures. Experience—limited so far—has shown that the stigma of insolvency serves as a good incentive for enterprise directors to repay their debts as soon as possible. If the old management fails to cope, the enterprise will pass under the trusteeship of the Federal Administration on Bankruptcy which will decide which is economically more effective: to restore its balance of payment or take it out of the production sphere. The criterion of "economic effectiveness" in decisionmaking will, however, be substantially influenced by existing social realities. First of all this will bear on so-called town/enterprises that contain more than 50 percent of the town infrastructure. In any event, administration officials believe, the extra-juridical bankruptcy procedure stipulated in the edict is more advantageous to enterprises than dealing with creditors in arbitration courts would be.

The basic criterion in determining the bankrupts' selling price will be the sum of their unpaid debts. In this connection Belyayev did not rule out a hypothetical option whereby property can be acquired for a symbolic price of one ruble. Competition for bankrupt enterprises, Belyayev noted with optimism, will attract domestic and foreign investors because the edict allows them, in addition to debt obligations, to take control of the entire property at once.

An objective analysis of the reasons for insolvency, it was noted at the press conference, will identify the range of enterprises really needing state support. Nonetheless, the state 1994 budget envisions subsidies only to coal mines. Until next year Goskomimushchestvo hopes for wide solicitation of extra-budgetary funds.

By 1 September, the Federal Administration on Insolvency chief promised, a new bankruptcy law concept will be published.

Enterprise Reform To Create 'Industrial Boom'

PM0706142394 Moscow KOMSOMOLSKAYA PRAVDA in Russian 7 Jun 94 p 1

[Sergey Razin report under "Our Commentary" rubric: "Major Reforms at the Starting Gate"]

[Text] Only bankruptcies will be able to do away with the nonpayments crisis. This is the radical conclusion arrived at by Yeltsin, having signed the edict "On the Sale of State Debtor Enterprises."

Will this edict work? There are no particular doubts about this, insofar as the bankruptcy mechanism, which is in the hands of Goskomimushchestvo [State Committee for the Management of State Property] and which, in point of fact, represents the last chance for Chubays and the entire Gaydar wing to triumph in the extremely difficult battle for real reforms in the economy, has been thought out precisely enough.

In line with the edict, debtor enterprises, having admitted bankruptcy, transfer to the Federal Administration for Insolvency Affairs under Goskomimushchestvo. In doing so, the question of dismissing the enterprise manager as being unsuited to the post occupied by him is fundamentally resolved.

Such a severe measure will, undoubtedly, discourage directors from "dragging their feet" on privatization, selling off plant property, awarding themselves huge salaries while the enterprise heads for complete collapse, and senselessly forcing up prices for their own output by including therein unbelievably inflated outlays. Taking the big picture, there is no nonpayments problem in our economy—there is the problem of the inefficient state sector bequeathed to us from the communist past, and which, owing to political machinations, has yet to be eradicated once and for all. Now, it seems, the time has come to untie the hands of the reformists completely.

Such a drastic turnabout in the president's fairly cautious and flexible strategy in economic reform is attributable to at least three important circumstances: First, Russian industry is charging full steam ahead toward the Ukrainian version of total collapse. Second, the voucher-based privatization and the titanic efforts made by Chubays were not, for all that, in vain—there are now so many joint-stock enterprises that market-oriented directors with the skill to stay afloat under the new conditions have begun to outnumber antimarket ones, who can quite simply be ousted now—and not just from their jobs, but from the political arena too. Third, the "goundwork" of capitalist reform—the stage of the primary accumulation of capital—is nearing an end in Russia. Enormous sums of money deposited in commercial banks are ready to pour into our industrial sector, but on the basis of private business. The presidential edict is opening these financial floodgates, and, to all appearances, a new era which should soon enter the stage of industrial boom is beginning in the economy.

Draft Edict on Foreign Banking Not Pending

MK0706083094 Moscow SEGODNYA in Russian 7 Jun 94 p 1

[Unattributed report: "No Draft Edict on Expanding Foreign Bank Activity Is Pending"]

[Text] No draft presidential edict expanding foreign bank activity on Russia territory is being prepared, Sergey Filatov, Russian Federation presidential chief of staff, said yesterday. According to him, "an edict streamlining Russia's banking system is currently in the making but this draft does not affect foreign bank activity."

Central Bank Favors Payments Union With CIS States

LD0706164994 Moscow ITAR-TASS in English 1416 GMT 7 Jun 94

[By ITAR-TASS analyst Igor Galkin]

[Text] Moscow June 7 TASS—Three major Russian banks are already working with the national currencies of former Soviet republics, including the "Rossiiskiy Kredit", "Menatep", and "Alpha". They are handling cashless settlements and transactions with the cash money of some republics of the former USSR. These banks are risking quite a lot, but their main purpose is to get a foothold on this promising market.

The Central Bank of Russia is constantly stressing that this is, indeed, a very promising business. It has issued an instruction, saying that the Russian commercial banks are permitted to carry out, without any special agreement, transactions with the national currencies which it quotes. Today, the Central bank fixes the exchange rates of the currencies of all the republics of the former USSR, except the Caucasian states and Turkmenistan.

The recent attempts to effect settlements among the former Union republics in freely convertible currencies and through bank correspondence accounts have proved futile. In the meantime, the need for the active financial interaction of the new sovereign republics is dictated by their cooperation links in production, trade, travel, and the need to remit money from one republic to another. This is why Russian experts persistently recommend the active use of national currencies in mutual settlements. What is preventing this? Assistant Head of the Foreign Transactions Department of the Russian Central Bank Andrey Vernikov told ITAR-TASS that the work of the national banks with local currencies was complicated by the high rates of inflation in the newly independent states, unpredictable currency regulations, restrictions and bans on export and import trade. Vernikov and his colleagues believe it is most important for surmounting these obstacles to guarantee the "smooth work of the currency market".

"This means," Vernikov explained, "that all the national currencies should be sold on the markets of each of the newly independent states. A bilateral union must be concluded to make our money sell freely in Kazakhstan and vice-versa. The union becomes multilateral if several such agreements are intertwined. It may be joined also by the east European states. Russia has already concluded agreements with the national banks of Bulgaria and Hungary, allowing their enterprises to effect settlements with Russian partners and make payments in national currencies. Poland, Mongolia and Slovakia are displaying interest in such agreements."

The concept of a payments union was received with understanding by a recent meeting of representatives from the central banks of the republics of the former USSR and their governments. Then it was approved by the heads of CIS governments, which authorised corresponding bodies to draw up an agreement on a payments union in accordance with this concept, which is to be a voluntary association of states, intended to ensure uninterrupted payments on the basis of mutually convertible national currencies.

"The implementation of the system of mutual convertibility of national currencies of the former republics of the Soviet Union must without doubt proceed stage by stage. The payments union may be joined by countries that deem themselves ready to accede to it and are prepared to assume concrete commitments," the representative of the Russian Central Bank believes.

Leading Bankers Meet, Appraise Financial Situation

MK0706132094 Moscow SEGODNYA in Russian 7 Jun 94 p 1

[Unattributed SEGODNYA report: "Bankers Will Meet Regularly"]

[Text] According to informed sources, a decision has been made to hold regular meetings between the leadership of the Russian Federation Central Bank and Russia's largest banks. The first meeting took place at the end of last week at the Center of Liberal-Conservative Policy. It was attended by Central Bank Chairman Viktor Gerashchenko and by directors of Imperial, Menatep, Alfa- bank, National Credit, Sberbank, Stolichnyy, Promstroybank, and other banks. The bankers declared their positions with respect to current financial processes.

Inflation in May Lowest Since Aug 1992

PM0806100794 Moscow IZVESTIYA in Russian 8 Jun 94 p 1

[Report by Irina Goryacheva of Economic Conditions Center under Russian Federation Government under the "From Our Correspondents and News Agencies" rubric: "Forecast Not Borne Out: Inflation Proved Less Than Expected"]

[Text] The level of inflation in May was lower than forecast and stood at 8.1 percent.

Such a low inflation indicator has not been observed in Russia since August 1992. Foodstuffs went up 7.7 percent last month, nonfood commodities 8.1 percent, and paid services for the population 11.3 percent. The biggest increase in consumer prices (14.1 percent) was noted in the Ural Region, where the largest increases were in the prices of foodstuffs (13.6 percent) and paid services for the population (36.5 percent). The smallest increase in the prices of basic consumer goods and services was in the Northern Region—5.9 percent. The increase in the prices of consumer goods and services stood at 8.5 percent in Moscow and 7.9 percent in St. Petersburg.

Consumer Prices Rise 9.7 Percent in May

LD0806123094 Moscow ITAR-TASS in English 1221 GMT 8 Jun 94

[By BUSINESS-TASS correspondent]

[Text] Moscow June 8 TASS—The index of consumer prices grew by 9.7 per cent in May, including food products—by 11.7 per cent, and non-food commodities—by 6.5 per cent, BUSINESS TASS was told at the economic reforms working centre under the government of the Russian Federation. Prices for services grew by the largest margin of 12.7 per cent.

Prices went up particularly for apples and vegetables in May, whereas the cost of potatoes dropped by 1.3 per cent, and for eggs—by 0.5 per cent.

The cost of a food basket, including 19 staple food products, grew on the average by 12.6 per cent throughout Russia. However, this indicator was much higher than the average in the east Siberian region, where it equalled to 21 per cent, and in the Urals—19.9 per cent. Prices went up only by 4.3 per cent in the Russian Far East.

Oil Production Down 15 Percent in Last 5 Months

LD0806090694 Moscow ITAR-TASS in English 0836 GMT 8 Jun 94

[By BUSINESS-TASS for TASS]

[Text] Moscow June 8 TASS—The production of oil with gas condensate in Russia during the first five months of 1994 has come to 124.4 million tonnes, a drop of 15.2 percent in comparison with the same period of 1993, Ministry of Fuel and Energy told BUSINESS-TASS.

The largest quantity of oil—77.6 million tonnes—was extracted by the state enterprise "Rosnephth" during January-May, 1994. The oil company "Lukoil" produced 17.5 million tonnes, the "Surgutnephtegaz" 14.4 million tonnes and the "Yukos" 11.3 million tonnes.

The gas production came to 266.5 billion cubic metres, a fall of 2.1 percent. The "Gazprom" extracted 250.6 billion cubic metres of gas, and oil industry enterprises a total of 12.8 billion cubic metres.

The production of coal during this period was 117.6 million tonnes, a drop of 10.5 percent.

Oil supplies to former Soviet republics accounted for 36.8 million tonnes, a rise of 10.5 percent. Gas exports came to 44.8 billion cubic metres, increasing by 3.6 percent.

Decree on Amending Excise Duties

PM0706153594 Moscow ROSSIYSKAYA GAZETA in Russian 4 Jun 94 First Edition p 4

[Russian Federation Government Decree No. 543, dated 25 May 1994, Moscow, and signed by Russian Federation Government Chairman V. Chernomyrdin "On Certain Amendments to the Russian Federation Council of Ministers-Government Decree No. 985 Dated 30 September 1993 'On the Ratification of Excise Rates on Individual Types of Goods'"]

[Text] The Russian Federation Government decrees:

1. In partial amendment of the Russian Federation Council of Ministers-Government Decree No. 985 dated 30 September 1993 "On the Ratification of Excise Rates on Individual Types of Goods" (Collected Acts of the Russian Federation President and Government, 1993, No. 40, Article 3758, No. 48, Article 4653, No. 52, Article 5090, and 1994, No. 3, Article 195, No. 15, Article 1179):

a) to confirm the excise rates on the following goods (as a percentage of the value of the goods at the selling price):

Rectified ethyl alcohol made from from all types of raw materials apart from foodstuffs—70

made from foodstuffs—90

Rectified ethyl alcohol supplied to medical institutions, the pharmacy network, and enterprises for the production of medicines and medical articles at the request of the Russian Ministry of Health and the Medical Industry within general alcohol consumption quotas, by agreement with the Russian Ministry of Economics—60

Fortified juices (apart from those supplied for the production of liqueurs and spirits, winemaking, and other alcoholic production liable to excise duty)—30

Yachts—30

Boats (apart from special-purpose ones)—30

Casings and tubes for car tires, including assembled ones (apart from those supplied as original equipment [napravlyayemykh na komplektatsiyu], metal-cord radial tires, and casings for metal-cord radial tires)—30

Metal-cord radial tires, casings for metal-cord radial tires for cars (apart from those supplied as original equipment)—15

Tobacco products (class I cigarettes, cigars, and cigarettes with cardboard holders)—20

b) to exclude from the appendix to the decree the following goods and the excise rates on them:

Car tires—30

Tobacco products:

produced by enterprises working with foreign investment and on license,

Class I cigarettes—50

Class II and III cigarettes—25

Class IV cigarettes—14

Class I cigarettes with cardboard holders—20

2. To establish an excise rate of 100 percent of the customs value for beer imported onto the territory of the Russian Federation.

3. To establish that the present decree enters into force from the moment it is published.

[Signed] Russian Federation Government Chairman V. Chernomyrdin

Military & Nuclear Issues

Government Agrees To Boost Defense Spending

LD0806140994 Moscow INTERFAX in English 1329 GMT 8 Jun 94

[Text] Russia's Government has approved the Duma Budget Committee's proposal to boost this year's defense spending from 37.1 trillion to 40. 6 trillion rubles.

As INTERFAX has learned from parliamentary sources, that was revealed at a closed session of the Federal Assembly's lower house on Wednesday by Deputy Premier Aleksandr Shokhin.

The First Deputy Defence Minister Andrey Kokoshin insisted on a 55-trillion-ruble defense budget.

According to Grigoriy Yavlinskiy, leading the Yabloko parliamentary faction, there has been no debate on the issue. The Duma backed up the Legislation Committee Chairman Vladimir Isakov's proposal to speed up budget bill debates by voting on the whole package of amendments recommended by the budget committee.

Grachev: Strapped Army at 'Minimum Level'

PM0706125194 Moscow TRUD in Russian 7 Jun 94 pp 1, 3

[Interview with Russian Federation Defense Minister Army General Pavel Grachev by military observer Viktor Badurkin; date and place not given: "The Army: Duty and Debts"]

[Text] [Badurkin] Pavel Sergeyevich, the events of recent weeks—the Black Sea conflict, the "games" with NATO, the spring draft, and the parliamentary hearings—have intensified readers' interest in the Russian Army, its problems and concerns. Let us talk about how they are to be resolved, and what awaits our Army in the future.

[Grachev] Your fellow journalists often reproach me with the fact that military reforms are proceeding slowly and that very little is changing in the Army. Leaving aside their blatant malevolence, I agree with many serious and well-supported criticisms. I also want the painful process of shaping and reforming the Russian Armed Forces to be over and done with as quickly as possible. But wishes are one thing, and real possibilities are quite another. After all, we have to change the Armed Forces' structure and recruitment system, make reductions, withdraw our troops from abroad, rehouse them in the Motherland, constantly maintain combat effectiveness at the proper level, and resolve a host of legislative and social questions—all at the same time. And all this with funding that it is more than modest. So that we have plenty of headaches.

Just look at the effort involved in the reduction alone—by almost one-third. We have "pulled" back to Russia from abroad around 140 units and combined formations numbering 280,000 men. These are not just figures—they represent human destinies, homelessness, lack of facilities, grievances, and disappointments....

[Badurkin] And, as a consequence, a fall in the prestige of military service even in the officer corps....

[Grachev] Naturally. Those who remain in the Army today are people who are are serving the Fatherland not for money but, so to speak, for the idea, in response to a spiritual urge. The monetary pay and allowances even of a senior officer who has spent 10 years in the garrisons is half that of a Moscow trolleybus driver. A fighter pilot earns a sixth of what a civil aviation pilot earns. And this despite the fact that in recent years both legislators and the government have been trying to meet the Army's needs halfway. The material situation of our officers, NOC's and enlisted men is in no way comparable with the income of servicemen in other countries—including countries which are significantly behind Russia on the economic level. Though in Russia, if you recall history, the level of material support of "state people" has in all times been high enough.

The same applies to apartments. Last year we failed to meet the quota for commissioning apartment blocks owing to underfunding, and I am not confident that the situation will improve seriously this year.

[Badurkin] But, despite all the difficulties, the Army must remain the Army, Russia's defender....

[Grachev] The main thing that we have achieved in the two-and-a-half years of the Russian Armed Forces' existence is to have created a combat-effective and controllable Army. The priority undoubtedly belongs to the strategic nuclear forces as the real guarantor of the country's security. Right now we are carrying out the provisions of the doctrine with regard to the general-purpose force groupings, and we have begun to set up a new operational-strategic formation—the mobile forces.

In the transitional period—through 2000—the Armed forces will retain their five-branch structure, although each branch will undergo significant transformations and reductions. The Air Force, for example, has already been reduced by 20 percent; of the 15 air formations, nine remain. In the reform of the Air Defense Forces special attention is being paid to the creation of aerospace defense and a system for monitoring the airspace. In the Navy submarines, surface ships, and combatant crafts that are obsolete and have lost their utility are being actively decommissioned. The Navy's entire basing and support system is being brought in line with the new conditions. The most alarming problem in the Navy is the problem of salvage, since a significant number of ships—almost two-thirds of the total complement—are in the concluding phase of their service life.

We have managed to somewhat improve the traditional system of operations training, to make significant modifications to the organization of mobilization training, and to reduce the amount of manpower and resources diverted to exercises and training. Unfortunately, in combat training we have had to stop holding divisional and regimental exercises in the interests of economy.

Incidentally, the results of inspections show that the majority of regiments and ships, despite shortages of manpower and a host of other problems, are coping with their tasks. Thanks are due to the officers who are fulfilling not only their own duties but also soldiers' duties as well. Thanks to their self-sacrificing labor we are keeping "afloat."

[Badurkin] Nowadays everyone knows about the "joys" of military service and the officer's life. Many hoped that, with the adoption of the Law "On the Status of Servicemen," the dire situation of Russian officers would change. But yet again they were disappointed in their expectations.

[Grachev] Yes, implementation of the Law "On the Status of Servicemen" is proceeding with difficulty; only one-half of it is currently operating. The main reason is the absence of appropriations. However, in several cases the situation around this law is being aggravated artificially. We understand clearly that, at the present time, when the crisis in the economy and the financial and credit system has not yet been overcome, it is difficult for the state to ensure the immediate implementation of all the law's articles. Servicemen are prepared to wait. But I absolutely cannot agree with those who claim that servicemen have too many privileges. Many categories of citizens have advantages and privileges; this is aimed at attracting intellectual forces and specialists to one sphere of human activity or another, or to compensate for the special features of the professional activity. In view of the country's difficult economic situation we would not object to the suspension of certain "expensive" articles of the law, but we want this question to be resolved entirely openly, with the participation of our competent structures, and not to lead to a severe reduction in the already poor material living standards of Army and Navy personnel.

[Badurkin] Pavel Sergeyevich, throughout our conversation we have been touching willy-nilly on a very important problem—money, or more accurately the lack of money to carry out the tasks facing the Armed Forces. How are you to succeed in making ends meet?

[Grachev] As is well known, the reduction of military expenditure has been going on since 1969. Our budget has been "trimmed" by 100 percent in comparable prices in the intervening years. In 1993 only 65-70 percent of the Army's minimum requirements were met. The Ministry of Defense has become a huge debtor. As of the beginning of the year the debt for supplies and services was over 2.2 trillion rubles [R]; today it has already grown to R6 trillion. But you cannot put a figure on the hidden debt which arises from combat and operations training events not been carried out, from exercises, marches, and flights postponed to a later date or canceled altogether, from the unresolved tasks in the improvement of military camps, the preparation of communal facilities for winter, and the transportation of basic necessities to the Far North regions and the Arctic. Poor funding inflicts irreparable damage on the Armed Forces.

The sum of R37.1 trillion, calculated by the Ministry of Defense as the level of the share of military expenditure in GDP last year (5.03 percent) and included without any analysis or appraisal in the draft federal budget under the article "National Defense," is significantly less than the sum that the Army now needs. In view of the fact that we have been on "starvation rations" for two years already, the R53 trillion approved by the president in the form of an amendment to the Law "On the Federal Budget for 1994" and supported by a number of State Duma Committees is still insufficient. However, this sum will still enable the tasks facing the Armed Forces to be performed at the minimum level and prevent the defense complex from being destroyed once and for all.

[Badurkin] Military expenditure is a difficult burden for any state, especially for Russia today. Perhaps the Ministry of Defense should devote more attention to saving, and not to "extorting" funds?

[Grachev] We understand perfectly that the reduction of military expenditure is a measure which is essential for our country. And we are ourselves looking for reserves. On my instructions everyone is tackling these questions: deputy ministers, commanders in chief, and directorate chiefs. All the plans and individual measures in the organizational development and training of the Armed Forces are subjected to economic expertise. Anything superfluous, irrational, or nonpriority is immediately discarded. In the interests of economy, tours of inspection among the troops by generals and officers of the central apparatus have been sharply restricted in the last year, and the number of assemblies has been reduced.

We are taking stern measures against officials who allow mismanagement and waste. We are not leaving any incident of abuse unanswered. The sale of military property is being carried out energetically. We are gradually getting used to the market economy, and it is forcing us to seek unorthodox ways of obtaining the funds that are vital for the performance of urgent tasks. However, it should not be forgotten that the Army is not a commercial structure but a budget-funded organization, and our possibilities are extremely limited.

[Badurkin] A last question, Pavel Sergeyevich. You often meet your Western colleagues. How do they feel about Russia and our Army?

[Grachev] I will not speak about politicians; the tone of their statements depends on many factors. Military men, however, think in real categories and understand that Russia has not ceased to be a great nuclear power and must be treated seriously. I have formed good relations with the majority of Western defense ministers and the NATO command. They agree with us that firm security and stability in various regions can be ensured only on the basis of equality and by taking into account the interests of every state, including Russia.

Cosmos-2281 Satellite in Flight

LD0706123194 Moscow ITAR-TASS in English 1222 GMT 7 Jun 94

[By ITAR-TASS string correspondent Semen Ivanov]

[Text] Moscow June 7 TASS—A Cosmos-2,281 satellite was launched from Plesetsk cosmodrome by a Soyuz-U booster rocket by Russia's space defence forces at 11.20 moscow time (07.20 GMT) on Tuesday.

The launch was successful. This was the 415th launch since December 27, 1971 when the first booster rocket of this type was lofted into space, Major-General Anatoliy Ovchinnikov, director of the Plesetsk cosmodrome, told ITAR-TASS. Preparations are being finalised at the cosmodrome for the launch of a photon technological spacecraft which is to blast off in one week's time.

The photon is an automatic laboratory fitted out with a set of technical facilities to obtain organic and inorganic materials and substances with improved characteristics in zero gravity. Specialists from the French national space research centre take part in the preparations.

In view of the fact that the satellite, which was launched from Plesetsk on May 25, 1994, failed to reach orbit, its number was given to the satellite launched today.

Satellite Parameters Given

LD0706184794 Moscow ITAR-TASS in English 1825 GMT 7 Jun 94

[By ITAR-TASS]

[Text] Moscow June 7 TASS—A Cosmos-2281 artificial earth satellite was launched on June 7, 1994, by the Soyuz rocket-booster from the Russian Plesetsk launching grounds in the interests of the Russian Defence Ministry.

Sources at the ground mission control center report that the satellite has been put on the orbit with the following parameters:

- the initial period of rotation - 88.7 minutes;

- the maximum distance from the earth surface (in the apogee) - 265 kilometers;

- the minimum distance from the earth surface (in the perigee) - 192 kilometers;

- the inclination of the orbit - 82.6 degrees.

The on-board equipment is functioning normally.

Conference on Space Biology Conducted From Orbit

LD0706131794 Moscow ITAR-TASS in English 1204 GMT 7 Jun 94

[By ITAR-TASS correspondent Marina Barinova]

[Text] Moscow June 7 TASS—Cosmonauts Viktor Afanasyev, Yuriy Usachev and Valeriy Polyakov opened on Tuesday an international conference on space biology and aerospace medicine by a reportage on research now conducted on board the orbital station Mir. Doctor Valeriy Polyakov offered to scientists a report containing the results of medical research for which he was the object.

Corresponding member of the Russian Academy of Sciences Anatoliy Grigoryev, academician of the Russian Academy of Medical Sciences, director of the Institute of Medico-Biological Problems, then took the floor. He noted that 430 reports reflect all the aspects of the problems discussed. They sum up new results received from experiments on biological satellites and in prolonged space flights and after the studying the state of the organism in extreme circumstances during flights or diving. All these reports are of fundamental nature but also have practical importance. This data will be used for medical ensurance of flights and underwater work, including the selection, training medical checks, prophylactics and treatment of diseases and rehabilitation.

Questions of international medico-biological cooperation in space will also be discussed at the meeting attended by representatives of many countries, and also representatives of the European Space Agency.

FCIS Detains Group Trying To Sell Uranium Dioxide

LD0706181694 Moscow INTERFAX in English 1356 GMT 7 Jun 94

[Text] Employees of the St. Petersburg Department of Russia's Federal Counterintelligence Service (FCIS) to combat terrorism have conducted an investigation and detained a group of people who intended to sell more than three kilograms of uranium dioxide (the share of uranium-235 isotopes is 90%).

The people involved in this case were detained early March after the first information was received by the FCIS. Leader of the Department's press service Yevgeniy Lukin underlined in his interview with Interfax that during this month employees of the service managed to reveal all places where this strategic material was kept and not to lose even a gram of this material which presents radioactive danger.

A total of 3.05 kilograms of powder were confiscated, part of it was kept under conditions presenting danger primarily for the life and health of the criminals and their relatives. They kept it in a glass pot and a metal retort.

Decontamination operations were conducted in one of the suburbs of St. Petersburg where the powder was kept. A butcher of a food shop and a plumber were among the people who tried to sell this strategic raw material.

Employees of the St. Petersburg Department established that the uranium was stolen from one of the enterprises belonging to the Automobile Industry Ministry and situated near Moscow. The case which was instituted in accordance with Article 223, part 3 of the Criminal Code—robbery of radioactive materials—was transferred to the prosecutor's office to St. Petersburg for further investigation.

The FCIS does not rule out that the stolen uranium-235 can be sold abroad. According to some estimates, the price of one gram of this substance which is used in atomic industry is 300 dollars.

The press service of the St. Petersburg department reported that the president was informed about this case by a special report.

Joint Stock Company To Process Enriched Uranium

LD0706145094 Moscow ITAR-TASS in English 1331 GMT 7 Jun 94

[By ITAR-TASS correspondent Marina Barinova]

[Text] Moscow June 7 TASS—Russian Minister for Nuclear Power Engineering Viktor Mikhaylov has voiced the creation of a close joint stock society Matech to process highly-enriched uranium extracted from Russian nuclear weapons into low-enriched to be sold to the United States as a fuel.

The society is the first joint venture in highly-enriched uranium technologies, sources at the Ministry of Nuclear Power Engineering's press and public relations department told ITAR-TASS today. It has been set up by the Russian Academy of Sciences, the Urals electrochemical plant, the Siberian chemical plant and the U.S. Allied Fuel Energy Service Company.

In the opinion of the ministry, Matech will help nuclear arms reduction and creation of a special fund for conversion of the defence industries, increased safety of nuclear power plants and environmental protection in Russia.

Defense Industry Workers Plan Protest 9 Jun

PM0706135994 Moscow TRUD in Russian 7 Jun 94 p 1

[Report by V. Kornev (Federation of Independent Trade Unions of Russia Information Center): "Siren Will Call to Strike"]

[Text] At a meeting with journalists, Nikolay Zinovyev, secretary of the Russian Association for the Defense Sectors of Industry Executive Committee, confirmed the defense sector workers' readiness to conduct an all-Russia protest action 9 June.

"In accordance with the draft budget," he stated, "the funds allocated by the treasury for the purchase of weapons and military hardware will be decreased by a factor of five and a half. The state order in this sphere is at present funded by 3 percent, and the state's debt to the defense sectors this year was 1 trillion rubles."

A number of trade unions in the association have adopted a decision not to stop production for 10-15 minutes, as had been announced earlier. After all, strikes in the defense industry are banned by law.

Nevertheless, a protest action will take place. After a signal from the plant sirens, defense industry workers in the Russian regions held meetings and rallies between 1000 and 1300 Moscow time.

Army Seeks 'Mercenaries' for PRC Border

PM0806095594 Moscow NOVAYA YEZHEDNEVNAYA GAZETA in Russian 8 Jun 94 p 1

[Report by Vladimir Kosse: "Russia Recruits Mercenaries from Donbass"]

[Excerpt] [passage omitted] The shortage of personnel in the Russian Federation's remote military districts has forced the commanders to seek nontraditional solutions. A telegram was dispatched from Maritime Kray to the Khartsyzsk, Donestk Oblast, city military commandant's office asking for experienced commanders and infantry

fighting vehicle and tank drivers to be selected for extended service close to the Russian-Chinese border. Those who want to serve are promised every possible benefit—from the provision of an apartment to the reckoning of one year's service as two.

The Russian Army, while not yet becoming professional, is becoming a mercenary one. And it is not ruled out that in the very near future the parliamentarians of the CIS countries will come up against the problem of mercenaries at the legislative level. After all, there is not a word on the subject in the current constitutions, but men roaming from country to country with assault rifles in their hands already exist....

Federal Assembly

Yeltsin, Rybkin Discuss Economy, Budget

LD0706190594 Moscow ITAR-TASS in English 1451 GMT 7 Jun 94

[Text] Moscow June 7 ITAR-TASS—A meeting of Russian President Boris Yeltsin and State Duma Speaker Ivan Rybkin was held in Kremlin today to discuss interaction of the president and the State Duma in the economy and economic legislation, as well as the adoption of the budget, the presidential press service reports.

The sides also discussed information provision of deputies and Duma factions. The president hopes the deputies will abide by the law on mass media in this sphere.

Bearing in mind numerous foreign trips of State Duma delegations and deputies, the president expressed concern over the Duma spending and budget.

The president and the speaker coordinated a number of international issues.

Yeltsin to Submit Around 40 Bills to State Duma

LD0706195694 Moscow INTERFAX in English 1403 GMT 7 Jun 94

[From the "Presidential Bulletin" feature No. 108 598]

[Text] About 40 bills will be soon submitted to the State Duma by the president to sustain the recent presidential economic decrees.

The Duma speaker Ivan Rybkin told Interfax that the problem was discussed during his meeting with Russian President Yeltsin on Tuesday.

Rybkin said under discussion was the upcoming debate in the State Duma of the country's federal budget for 1994 because, as he said, the country's finances are the main component part of the reforms. The budget will be debated in the second reading on Wednesday.

Asked whether President Yeltsin made proposals concerning the budget, Rybkin said that the president and he agree that the budget should be balanced and the interests of everybody should be taken into account.

Earlier in an interview Rybkin said that the bill on the Russian federal budget will be adopted in the second reading in June.

Rybkin said that it is planned to increase subsidizing research work in line with the conversion program, as well as science, education, culture and the social sphere and channel for the purpose eight trillion rubles.

Rybkin said that the Duma together with the government is searching for additional sources of profit, including from the arms exports.

Asked how he assesses the recommendations on the need to increase expenditures for defense from 37 to 55 trillion rubles, Rybkin said that everyone may have a dream, but everyone must see the reality.

IF Note: Chairman of the committee for budget of the Federation Council, Nikolay Gonchar on Tuesday asked deputies to support the proposal on increasing allocations for defense purposes. He said that late in April the Duma speaker Ivan Rybkin sent to President Yeltsin a letter where he explains the need to increase military spendings up to 55 trillion rubles. According to Gonchar, on May 6 the letter with Yeltsin's words on its "I consider it expendient to agree to defense amendments for the budget" was sent to Prime Minister Viktor Chernomyrdin.

Duma Groups' Voting Plans on Budget Described

LD0706204894 Moscow INTERFAX in English 1613 GMT 7 Jun 94

[Text] In the Russian State Duma the New Regional Policy group is going to vote for the federal budget in the second reading on condition the spending on defence is increased from 37 to 55 trillion rubles and subsidies to territories from 18 to 23 trillion. This was reported to Interfax on Monday by the head of the group Vladimir Medvedev. The group of 64 deputies is the second biggest in the lower house of parliament following Russia's Choice. Most members of New Regional Policy supported the federal budget during the first reading on May 11.

Yabloko group does not support the draft budget submitted by the government on the whole because it does not reflect an economic policy the country would need today. This was told to Interfax by the head of the group Grigoriy Yavlinskiy. He said his group voted against the budget in the first reading and it would be strange, he said, if it changed its approach by the second reading. Still Yavlinskiy said his group would support certain amendments to the budget.

The Liberal-Democratic Union of December 12 will support the draft budget, if it does not exceed the deficit named during the first reading. The leader of the group, former finance minister Boris Fedorov told Interfax that

his group would agree to increase spending on defence research by no more than 3.5 trillion rubles as the budget committee suggests.

Russia's Choice did not meet on Tuesday and intends to define its attitude to the draft on Wednesday before the Duma session.

The heads and experts of the Communist, Agrarian and Democratic factions intend to agree on a common stand during the budget debate planned for Wednesday. This was reported to Interfax by Yevgeniy Krasnitskiy (Communist). He said his group will also insist on increasing the revenue by improving tax-collecting as well as spending. It plans to support the proposal of parliamentary committees for defence to increase defence spending from 37 to 55 trillion. He denied claims that Communists would vote against the budget. "The budget proposed by the government is rotten, of course, but even a bad budget is better than none", he said.

The leader of the Liberal-Democratic Party Vladimir Zhirinovskiy and a considerable part of his faction will evidently be absent from the Wednesday session because on Tuesday they began a tour of Krasnodar region. However, on Monday Zhirinovskiy told Interfax that economists from the faction would take part in the discussion of amendments to the budget. The lower house is go [as received] discuss some 300 amendments.

Yevgeniy Nikonov of the Party of Russian Unity and Concord expressed the opinion that his faction would support the idea of increasing budget spending.

Budget Should be Used to Solve Social, Economic Ills

LD0706224794 Moscow ITAR-TASS in English 1855 GMT 7 Jun 94

[By ITAR-TASS correspondent Pavel Kuznetsov]

[Text] Moscow June 7 TASS—The Russian Government should use the 1994 budget revenue reserves to solve the most acute social and economic problems, Chairman of the State Duma Committee for Budget, Taxes, Banks and Finances Mikhail Zadornov told a news conference here today in view of the Duma's second reading of the draft 1994 budget.

These problems include financial support to Federation subjects, defence spending, fundamental science, education and preservation of cultural monuments, said the deputy. In his opinion, such distribution of budget means will help to preserve the defence, scientific and cultural potential of Russia.

The money can be found as the "Russian Government has envisaged a number of reserves in the draft budget," he said. At the same time, the reserves should not exceed the limits of the Duma-approved spending, revenues and the budget deficit.

For instance, 1,500,000,000,000 rubles can be received from cuts of the domestic debt payment. Another 3,000,000,000,000 rubles can be taken from the reduced amount of foreign drawings. It is also necessary to cut by 15 per cent the spending on state management structures, whose size has increased by eight times as compared to last year, said Zadornov.

Official Calls for Increased Defense Spending

LD0706164494 Moscow ITAR-TASS in English 1408 GMT 7 Jun 94

[By ITAR-TASS parliamentary correspondent Lyudmila Yermakova]

[Text] Moscow June 7 TASS—The 1994 Russian defence budget should be at least 55,000,000,000,000 rubles instead of the 37,000,000,000,000 approved by the State Duma, Chairman of the Federation Council Budget and Finances Committee Petr Shirshov told a news conference here today.

In his words, a closed meeting of the parliament upper chamber discussed the draft federal budget approved by the State Duma in the first reading and decided to agree with the committee proposal on the increased defence spending and changes in their structure.

Shirshov said that the Russian defence budget is only one tenth of the U.S. planned military spending.

Military Spending Seen Jeopardizing State Budget

MK0806095094 Moscow SEGODNYA in Russian 8 Jun 94 p 2

[Dmitriy Kuznets report in the "Budget" column: "The Duma Intends To Increase Military Spending. Mikhail Zadornov Believes This Is 'Profanation of the Budget Process'"]

[Text] Mikhail Zadornov, chairman of the Duma Budget, Banks, and Finances Committee, will recommend to the lower chamber at its session today not to consider amendments to the budget involving a change of its basic indicators: revenues, expenditures, and deficit. According to Zadornov, the Duma is bound to such a decision by the budget procedure it has itself approved. Under it, Mikhail Zadornov's committee has singled out all amendments that affect the basic indicators so that "the Duma rejects them automatically." Zadornov allows, however, that "some factions" today are going to return to the discussion of the main indicators "with a view to increase military spending to 55 trillion for populist considerations." A return to the adopted figures of the main budget indicators, according to Zadornov, "will turn the budget process into profanation."

According to Zadornov, the committee, "in spite of multiplying rumors about the idea of raising military spending being supported by the president," so far has only an amendment on this score by Sergey Glazyev.

Zadornov said that "neither the president nor the government has submitted any amendments on increasing military spending to the Duma." Zadornov made the following supposition: "Possibly the president himself or through his representative will submit his proposals on defense needs to us at the plenary session itself."

A similar recommendation by the Federation Council was not executed as an amendment and was not even adopted in principle, which does not allow to consider it formally. Even so, Nikolay Gonchar, chairman of the Federation Council Budget Committee, speaking at yesterday's session of the Duma New Regional Policy faction, stated that "the senate will never approve a budget that places the economy of Russia's 33 regions, which is made up by military industrial complex enterprises, on its knees."

The committee also rejected Glazyev's proposal to increase budget revenues with receipts from privatization because "nobody knows what the system of selling property will be after 1 July." Zadornov considers it possible to create a targeted extra-budgetary fund for defense needs if money from privatization is generated in the volumes promised by Glazyev. The committee does not advise the Duma to include these revenues in the budget, however, unless it wants the government's indebtedness to the Defense Ministry, "which will be inevitable even with the military spending level as envisioned under the original draft budget," to become really catastrophic.

According to information in SEGODNYA's possession, in spite of the budget committee's opinion, the communists, the Party of Russian Unity and Accord, New Regional Policy, the agrarians, and the Democratic Party of Russia are ready to vote for a return to the basic budget figures. The Communist Party of the Russian Federation, the Agrarian Party of Russia, and the Democratic Party of Russia yesterday summoned a special joint conference on this issue. If the agro-communist coalition fails to get the Duma to return to the consideration of the main indicators, they can vote against the budget. The Yabloko faction, with which Zadornov is affiliated, will vote against both increasing military spending and against the budget as a whole. Russia's Choice and Women of Russia will in all likelihood support the committee. The majority of deputies from the Liberal Democratic Party of Russia together with their leader will go on a trip around the country and will not take part in the budget process.

'Depressing' Budget Figures Cited

LD0706162294 Moscow Russian Television Network in Russian 1200 GMT 7 Jun 94

[Excerpt] The State Duma Budget Committee on Budget, Taxes, Banks, and Finances' fears about the dynamics of production this year have proved to be right, Committee Chairman Mikhail Zadornov told the media today. The results of the first four months of the year are depressing. The fall in production is still 25 percent. Only 9 percent of taxes were collected instead of 11 percent. As a result, revenues covered only about half of budget spending, namely 49 per cent. [passage omitted]

Ecology Committee Requests More Funds

PM0706103794 Moscow NOVAYA YEZHEDNEVNAYA GAZETA in Russian 7 Jun 94 p 2

[Report by Andrey Ishchenko: "In Moscow They Are Asking the President for Money"]

[Text] Tamara Zlotnikova, deputy chairman of the Russian State Duma Committee for Ecology, has yet again urged the president to intervene personally in the state's ecological policy. "For the first time men's life expectancy has dropped below pension age, deformed children are being born, and Russians are on the threshold of irreversible changes beyond which the collapse of the state and the death of the peoples are possible," Zlotnikova wrote in her letter to Yeltsin.

Less than 0.6 percent of the expenditure section of the budget, or 0.15 percent of the gross domestic product, is earmarked for ecological programs. That has never happened in a single civilized or even not very civilized country, although the troubled and in places catastrophic nature of the ecological situation is obliging people to increase financing for environmental conservation at least to some extent. According to some figures, the ecological damage throughout the country in 1993 totaled 15 trillion rubles, and this year it is forecast at 43 trillion, which is over 40 times the expenditure envisaged on ecology in the budget.

Federal Assembly Gets Analytical Center

MK0806074094 Moscow NEZAVISIMAYA GAZETA in Russian 8 Jun 94 p 2

[ITAR-TASS report under the "In Brief" rubric]

[Text] Moscow—The Russian Federation parliamentary center is being transferred under the jurisdiction of the Federal Assembly chambers by a directive of the Russian Federation president. The aim is to create conditions for information-analytical support for the legislative process. It will be located at 2, Tsvetnoy Boulevard in Moscow.

Assembly for Former, Current Parliament Members Founded

MK0806075094 Moscow NEZAVISIMAYA GAZETA in Russian 8 Jun 94 p 2

["NG" report under the "In Brief" rubric]

[Text] Moscow—An assembly of parliamentarians whose president is Vladimir Podoprigora, chairman of the Federation Council International Affairs Committee, has been founded here. The Assembly proposes to bring together everyone who used to be a member of

one of the two previous (Soviet and Russian) parliaments or is a deputy of the current Federal Assembly.

Regional Affairs

Moscow Car Bombs Intended To 'Intimidate'

PM0706133994 Moscow IZVESTIYA in Russian 7 Jun 94 p 8

[Report by Arkadiy Zheludkov: "Weekend Explosions in Central Moscow"]

[Text] Explosions are becoming increasingly common in the capital, which will not please Moscow Criminal Investigation Department No. 6, which investigates these crimes. The two latest "firework displays" took place in central Moscow, not far from IZVESTIYA.

Both explosions occurred at night, which, according to the experts, rules out the possibility of an attempted killing. More than likely, specialists from the Main Internal Affairs Administration say, they were warnings or attempts to intimidate. At the Main Internal Affairs Administration press center information was extremely thin on the ground, as ever: The first explosion took place in the early hours of Saturday in the branch of the "Stolichnyy" bank that is being constructed at 22/2 Chekhov Street: An explosive device of an unknown type went off at 0245 hours. Three windows were shattered, but there no casualties.

At 0125 hours on the next night, not far away, near 30/2 Tverskaya Street, a Mercedes 230 car exploded. The bomb, of an unknown type, probably homemade, exploded under the rear right wheel of the Mercedes and the car was turned over by the blast onto the car next to it. The privately registered 6-series Zhiguli was burned out as a result. All that is known about the owner of the Mercedes is that he is 30, he does not work anywhere, and he lives on Bolotnikovskaya Street in Moscow.

According to established practice, there will be a long search for the bombers, with special crime investigation centers being set up at the Moscow militia's 108th and 64th stations. For the time being, Muscovites living in the center can only pray at night or go to their dachas for the weekend.

Moscow Adopts Plan To Boost Small Businesses

PM0706150594 Moscow IZVESTIYA in Russian 4 Jun 94 p 2

[Report by Viktor Belikov: "Small Business in the Capital Under the Guardianship of Moscow's Government"]

[Text] One quarter of all Russia's small enterprises are now concentrated in Moscow, and in the coming 18 months the local authorities intend to double their number. This is the aim of the citywide comprehensive program for the development and support of small business adopted by the capital's government.

Officially, a small business is deemed to be one which employs between 15 (trade, everyday services) and 200 (construction, industry) workers. It might appear as if these mini production units and small firms have very few jobs to offer, but there are tens of thousands of them in the city—and this constitutes a sizable part of Moscow's economy and a major factor of stability in the social climate.

The citywide program defines the priority spheres for small business in Moscow: Namely, the production and sale of foodstuffs and consumer goods, everyday services, health care, city amenities and garbage clearance, the development of the tourist sector, and services for visitors. In the first quarter of this year 3.5 billion [rubles] of the city's money was spent on supporting those who decided to take on these concerns. As of next year, the subsidy will make up 0.5 percent of the entire Moscow budget.

So where exactly will these considerable resources go? Over the next 18 months in virtually all municipal districts it is planned to set up 60 mini-bakeries, 35 new workshops for repairing household appliances, 14 breweries, 10 small meat processing plants, 6 timber processing plants, 6 knitwear production units, 9 construction units, and 10 garbage collection subdivisions. Apart from the city's money, resources are also being attracted from public associations of entrepreneurs. In return for assisting in setting up a small business, their senior colleagues will be granted concessions in payments for rented premises, power, heat, and water, and they will be exempt from certain municipal taxes—all according to the "rules of the game" in a market economy.

A Moscow Fund for the Support of Small Business is being set up—its tasks are as follows: To train skilled personnel (there is a dire shortage of competent accountants, economists, and legal experts!); to create databases; and to publish the information and analysis yearbook "Moscow Small Business." The fund has also been tasked with organizing a specialized science park [tekhnopark], possibly on the basis of the former Exhibition of National Economic Achievements, to elaborate promising projects which can then be realized by small businesses.

A great help to existing and newly created entrepreneurial structures is the Moscow Leasing Company, which acquires technological equipment and then rents it out to small enterprises in priority sectors and creates "turnkey" production units that are ready to roll.

Regional Policy Minister Discusses Ossetia Issue

LD0706204394 Moscow ITAR-TASS in English 1609 GMT 7 Jun 94

[By ITAR-TASS correspondent Valeriy Shanayev]

[Text] Vladikavkaz June 7 TASS—"The Caucasus should be viewed as a single whole, local processes influence the public-political situation in the Russian south," Russian Minister for Nationalities and Regional Policy Nikolay Yegorov told a meeting here today.

The meeting was attended by North Ossetian President Akhsarbek Galazov, North Ossetian Government and Presidium members, head of temporary administration Vladimir Lozovoy and representatives of federal ministries currently in the state of emergency zone to discuss the implementation of presidential decrees and governmental instructions on the return of refugees and forced migrants to places of their permanent residence.

In the opinion of Yegorov, developments in the conflict zone influence the whole North-Caucasian region, and the refugee problem should be solved with due account of this situation. He stressed that the North Ossetian-Ingush relations should be settled only peacefully and without the use of force.

Yegorov, Lozovoy and members of the North Ossetian Government visited the state of emergency zone this morning to meet local residents.

The minister has left Vladikavkaz.

Groznyy Responds to Filatov Statement

LD0706204594 Moscow INTERFAX in English 1613 GMT 7 Jun 94

[Text] Groznyy says that the only way to overcome the present stalemate is to hold "a well-prepared meeting between the presidents of Chechnya and Russia," a spokesman for the press service of President Dzhokhar Dudayev told Interfax on Tuesday. Preparations for such talks must be conducted "without political intrigues on the part of some aides to President Boris Yeltsin," he pointed out.

In comments on the statement by the head of the Russian president's office, Sergey Filatov, to the effect that after Dudayev's sharp anti-Russian pronouncements a further dialogue with Groznyy is impossible, the high-ranking member of the Chechen president's office said that Sergey Filatov "laid the blame for the disruption of negotiations on the wrong side." "It's no longer a secret that Russia had no intention of starting talks in earnest. It only wanted an excuse for launching another propagandistic ploy," he pointed out.

"In what other way, in Filatov's view, could President Dudayev react a few hours after an attempt on his life?" the official asked.

A statement released by Dudayev's press service on Tuesday says that "Filatov's explanations as to the reasons why the talks were delayed are so flimsy that comments on them are unnecessary." "They are designed to conceal Russia's unwillingness to enter into truly civilized talks" with Chechnya, the press service declared.

Chechen Opposition Considers 'Coercive Methods'

LD0706173594 Moscow INTERFAX in English 1356 GMT 7 Jun 94

[Text] The Chechen opposition, which understands that Chechnya's leadership will not voluntarily refuse from power, does not rule out that coercive methods can be used to solve the conflict, the headquarters of the opposition situated in the republic's Nadterechny region reported to Interfax Tuesday. They made it clear that the political forces opposing President Dzhokhar Dudayev would resort to coercive measures only in case that the official formations in Groznyy are the first to use arms.

A representative of the headquarters who preferred to stay anonymous declared that last Sunday the opposition manage to conduct its congress in the regional center of Znamenskoe. As many as 2500 delegates were present at the congress.

However, as Groznyy reports, the opposition's congress was disrupted because the majority of those invited to the congress boycotted it.

Meanwhile, the congress' delegate Ruslan Martagov told our Interfax correspondent that the congress took place despite a tough confrontation on the part of Groznyy.

In his words, the congress urged that Chechen President Dzhokhar Dudayev and Vice President Zelimkhan Yandarbiyev should immediately resign and the republic's parliament should pass a decision on democratic elections. According to the opposition, this decision should be adopted before June 15 and then the parliament should announce about its self-disbandment.

As the opposition believes, new elections should be held not later than August 1994. The authorities should release all political prisoners and transfer all authorities to the Temporary Council of the Chechen Republic being created by the opposition.

The resolution adopted by the congress underlines that the Temporary Council created in winter 1994 takes all the functions of the representative power until the time of the new elections.

Komi Leader Affirms Role in Federation

LD0706134594 Moscow INTERFAX in English 1032 GMT 7 Jun 94

[Text] Russia must have only one president, said Yuriy Spiridonov, the recently elected head of the Komi Republic. He told Interfax in an exclusive interview on the eve of the inauguration ceremony that the Komi leaders had turned down the idea of instituting the post of president in their republic. "We are an inalienable part of the Russian Federation," he said. "Even if the leaders of the republics and regions are elected by the people, they must not be called presidents, he added.

To quote Spiridonov, the Constitution of the Komi Republic provides the local parliament with sufficient

rights to control the head of the government. "A president does not head either the legislative or the executive bodies. He is above both, so it is not the president that we are electing. The head of the Komi Republic directly runs the government, the responsibility he bears is much greater than that of the president of any republic," he said.

He expressed regret that the new Russian Constitution does not contain the Federation Treaty. This makes the Center and the constituent entities conclude a bilateral agreement in each particular instance, said Spiridonov.

Tatarstan's Shaymiyev Supports 'Anti-Crisis' Program

LD0706225394 Moscow INTERFAX in English 1807 GMT 7 Jun 94

[Text] At a parliamentary session Tuesday, Tatar President Mintimer Shaymiyev spoke in favor of the government's anti-crisis program and against its resignation.

"If until now the government has succeeded in easing the situation by half-measures, then radical steps are needed now necessitated by the Russian leadership's tougher line for keeping down inflation which puts the question of surviving before enterprises," he said.

Shaymiyev added that Tatarstan needed a long-term economic program which would be developed with the participation of foreign experts by this autumn. "While now the government should be allowed to implement its proposals which will give it a possibility to survive," he said.

In his opinion, the government should in the first place support the oil-extracting industry as lowering volumes were the main reason for a 30-percent production drop in the republic.

Among other top-priority measures to stabilize the economic situation, Shaymiyev indicated regulating the movement of capital, forming independent credit resources, refusing expensive credits of the Central Bank of Russia, promoting the circulation of bills of exchange inside Tatarstan, developing a program to support entrepreneurship and forming the market of real estate.

Shayiyev pointed out that the power-sharing treaty between Russia and Tatarstan was instrumental in solving existing differences rather than in completely removing them. During Boris Yeltsin's recent visit to Kazan, the republic had managed to draw Russia in such major federal projects as the renovation of KamAZ, the construction of a car-making plant in Yelabuga and an oil-processing plant in Nizhnekamsk as well as a number of military conversion programs, he said.

Vladivostok Mounts Major Anti-Crime Effort

944F0777B Vladivostok VLADIVOSTOK in Russian 4 Jun 94 p 2

[Report by Sergey Filonenko: "Vladivostok Becomes a Battlefield"]

[Text] **Large-scale operations to combat organized crime will commence in Vladivostok in the first days of June.**

This was stated at a news conference last Friday by Vladimir Ipatov, chief of the kray's Internal Affairs Administration. Additional forces of the militia will be pulled in from other cities and rayons of the kray. It is planned in the very near future to organize inspections of the gang "haunts" and secret addresses and the motor transport and papers of all suspects, which will last for several months.

So concentrated an assault on the city's crime is connected with the events that occurred at the end of last week and the start of this, when several militia officers were killed and wounded. In retaliation, 145 persons were detained and eight guns and seven radios were confiscated in literally a matter of days. The militia officers arrested 45 persons at a gathering of crime groupings, at which narcotics, weapons, $55,000, and approximately R50 million were confiscated.

Siberian Bank Funds Military in Bid for Competitive Edge

MK0706121094 Moscow KOMMERSANT-DAILY in Russian 7 Jun 94 p 5

[Financial Department report: "Paratroopers Are Sponsored by a Novosibirsk Bank"]

[Text] Large regional banks, persistently seeking to penetrate the Moscow market, are resorting to very unorthodox methods to assert themselves. Thus, Moscow branch directors of a leading Novosibirsk bank—the Siberian Trade Bank—on 5 June signed an agreement with the Russian Paratroopers Command effectively establishing the bank's "sponsorship" of the paratroopers.

The agreement between the Siberian Trade Bank and the paratroopers envisions, in particular, preferential bank servicing and crediting of the paratroopers subdivisions and individuals as well as the provision of financial assistance to officers' families. The agreement establishes among the basic targeted programs "financing by the bank of house and apartment construction for officers transferred from neighboring states, civilian training courses for retired military, and also assistance to military servicemen, and their facilities, who have found themselves in extreme conditions." For their part, the paratroopers undertake to train personnel for the bank's security service.

This agreement with the paratroopers is the first action by the Siberian Trade Bank Moscow branch. Such an

unusual beginning of the branch's activity is quite explicable. With tough competition on the Moscow financial market, regional banks are hard put to make a name for themselves here by confining themselves to providing "common" banking services to their clients.

Local Food Price Regulation Produces Differences

PM0706164794 Moscow ROSSIYSKIYE VESTI in Russian 7 Jun 94 p 4

[Yuriy Rytov report: "Food Prices. They Are Not Regulated at Federal Level, But Regional Regulation Exists and Is Producing Good Results"]

[Text] As is well known, the state now no longer sets prices for any goods—be they industrial or consumer goods. (With the exception of energy prices.) But the regions are entitled to regulate food prices.

And, in my view, this rule has been very successful—and entirely justified—in many areas. Provided, needless to say, that the bare formula of reform is not followed, but is given some real content.

This April there was price regulation of foodstuffs in 104 cities (out of the 132 surveyed by the Russian Federation State Committee for Statistics).

Needless to say, the level of influence exerted by the local administration on price regulation varied from region to region. Thus, in the cities of the Volga-Vyatka and North Caucasus regions prices of all the most important foodstuffs were regulated. In the Northern and Northwest regions this process was restricted to a few cities—Cherepovets, Pskov, and the cities of the Komi Republic.

I would like to quote a few figures from the Russian Federation State Committee for Statistics which show just what foodstuffs were of particular concern to local administrations.

Milk prices were regulated in 69 percent of the cities surveyed by the Russian Federation State Committee for Statistics. Beef prices were regulated in 45 percent of cities, and cooked sausage prices in 42 percent.

The question naturally arises—just how do local administrations manage to hold down price growth?

The most widespread form of price regulation (around 50 percent of all price regulation) is to limit the size of trading organizations' markups. The profitability of food industry enterprises is controlled in approximately 5 percent of cities.

Consequently, there are some sharp difference in food prices in different regions. For instance, in mid-May the average cost of a basket of 19 of the most important foodstuffs was 51,100 rubles [R] (over the month). The price of the same basket in Moscow was more than R55,000. The basket is still cheapest in Ulyanovsk—at R30,000. It is slightly more in Chistopol (R35,000) and Lipetsk (R36,000).

Stavropol Asks for Local Control of Land

PM0706100194 Moscow ROSSIYSKAYA GAZETA in Russian 4 Jun 94 First Edition p 3

[Lyudmila Bildyugina report under the "Regional Policy" rubric: "Buy and Sell, As Long As It Is Not Land. Letter to the Russian President"]

[Text] Stavropol Kray—The Stavropol Kray State Duma has sent a letter to Russian Federation President B. Yeltsin and the Russian Federation Federal Assembly "requesting that legislation permitting the purchase and sale of land should not be implemented and that components of the Federation should be granted the right to independently determine the procedure for regulating land relations on sub-departmental territory."

In the letter, which was adopted unanimously, the deputies attribute their request to the fact that the State Duma is extremely worried about the sociopolitical situation prevailing in the kray in connection with the upcoming adoption of legislation regulating land relations in the purchase and sale of plots of land.

At present, representatives of over 200 nations and nationalities live on the kray's territory, and many of them have settled in ethnic population centers. The purchase and sale of land could lead to a change in the existing ethnic status quo and exacerbate already tense relations. Furthermore, peoples for whom land has never been in private ownership (Cossacks, Turkmens, Nogai, and others) live on the kray's territory in close-knit communities.

The implementation of the purchase and sale of land, the deputies are convinced, could lead to a loss of ethnic control of a priceless asset of the Russian people, that is, Mineralnyye Vody in the Caucasus.

The Stavropol Kray State Duma believes that land and other natural resources may be held in state, municipal, or private ownership. However, the right to buy and sell should be extended only to truck garden and dacha plots, as well as to land occupied by structures and buildings which are privately owned.

It can be said with a great degree of certainty that the State Duma deputies' view corresponds to the mass mood of the Stavropol population, almost half of which is rural. The basis for this conclusion is a kind of referendum on the question conducted among kray inhabitants by the popular newspaper STAVROPOLSKAYA PRAVDA, which has been publishing the most varied opinions over a long period of time under the "Land and Will" rubric, including those of ordinary private farmers, kolkhoz chiefs, agriculture specialists, leaders of administrations, and pensioners in the city

and in the country.... The editorial office also familiarized its readers with the stance of supporters and opponents of private ownership of land living in other regions of the country. Statistics and the analysis of the opinions and readers' responses which the editorial office carried out make it possible to draw the simple conclusion.

Many specialists in Stavropol believe that the squandering of the land stock must be prevented, that it would be best of all to use plots of land as social shock-absorbers—as a kind of compensation for the socioeconomic losses that Russians have suffered in consequence of the shock without therapy. This would ease social tension today in many respects and help compensate for the sharp depreciation in the population's financial investments and other securities.

Privately-Run Radio Starts Up in Volgograd

PM0706133394 Moscow IZVESTIYA in Russian 4 Jun 94 p 2

[Valeriy Kornev report: "Private Radio Station Opens in Volgograd"]

[Text] Volgograd—Volgograd has become one of the first of the province's major cities whose residents will now be able to listen to alternative radio every day—broadcasts from the "Novaya Volna" [New Wave] radio station. Broadcasts are currently from 0700 through 2200, and in the near future they will be around the clock.

A powerful autonomous transmitter makes it possible to cover a number of rural areas as well as the oblast center.

"Although the bulk of the time is devoted to music programs," Aleksey Kuimov, general director of "Novaya Volna," says, "we are also devoting paramount attention to timely new reporting. There is a summary of the latest news every hour. Our correspondents phone in their reports from the scene. We will also be staging a kind of talk show, giving representatives of parties and entrepreneurs a chance to say their piece."

It is worth noting that the co-owners of the new radio station—apart from the well-known "Tsaritsyn Dvor" trading and industrial firm—include professional media journalists whom Volgograders know well from broadcasts on the local "South of Russia" cable tv.

International Affairs

Kiev To Back UN Sanctions Against DPRK

LD0706174794 Moscow INTERFAX in English 1613 GMT 7 Jun 94

[Text] Ukraine will support the UN decision on sanctions against North Korea due to its refusal to allow IAEA experts to its nuclear sites. If the decision is taken, we shall support it, the Ukrainian Foreign Ministry spokesman Yuriy Sergeyev told a briefing in Kiev Tuesday [7 June].

He said that as a UN member, Ukraine is obliged to implement and is implementing all decisions of this international organization. He cited Ukraine's position concerning UN sanctions against Yugoslavia.

DPRK Foreign Minister Visits

Meets With Kravchuk

LD0706172194 Kiev UT-1 Television Network in Ukrainian 1600 GMT 7 Jun 94

[Text] Ukrainian President Leonid Kravchuk today received DPRK Foreign Minister Kim Yong-nam.

[Unidentified correspondent] The Ukrainian president warmly greeted the DPRK's delegation led by Foreign Minister Kim Yong-nam. The DPRK was one of the world's first countries to recognize Ukraine's independence and to establish diplomatic relations with it.

During a conversation, Leonid Kravchuk informed the Korean guests of the present situation in Ukraine and stressed that it is stable. Out state's president noted that political battles are being fought in Ukraine, but added that there is no acute confrontation. On the issue of Crimea, Leonid Kravchuk reiterated it is being settled within the framework of constitutional methods.

The Korean side expressed interest in developing cooperation with Ukraine. Issues of mutual interest to both states were discussed. Ukrainian Foreign Minister Anatoliy Zlenko took part in the conversation.

The DPRK delegation, led by Foreign Minister Kim Yong-nam, was today also received by Oleksandr Tkachenko, first deputy chairman of the Ukrainian Supreme Council, who told the guests about the activity of Ukraine's new democratically elected parliament. The quests were acquainted with the specialist work being carried out by the Ukrainian Parliament, which is fatefully entrusted with resolving many problems in order to pull the economy out of a crisis, and improve the social security of Ukraine's population at a hard time of market reforms.

I note that agreements on trade, economic, and scientific and technological cooperation were concluded between Ukraine and the DPRK last year. The Korean side today takes interest in signing such interstate documents as a treaty on friendship and cooperation, agreements on cultural relations, legal assistance, and other documents which would promote bilateral ties.

Anatoliy Zlenko and Borys Oliynyk, chairman of the Ukrainian Supreme Council Foreign affairs and CIS Relations Commission, took part in the conversation.

Meets With Deputy Speaker

LD0706183194 Moscow ITAR-TASS in English 1742 GMT 7 Jun 94

[Report by ITAR-TASS correspondents Viktor Demidenko, Mikhail Melnik]

[Text] Kiev 7 June TASS—Ukraine has a reliable partner in the person of North Korea on the international scene, North Korean Foreign Minister Kim Yong-nam told First Deputy Ukrainian Parliament Speaker Oleksandr Tkachenko here today.

In his words, North Korea fully supports Ukraine in its building of independent democratic state and expresses the assurance it will take a worthy place in the international community. The North Korean foreign minister praised the Ukrainian decision to become a non-nuclear state.

He highly estimated the foreign policy of Ukraine which stands for the solution of all problems at negotiations and on the basis of international norms and thanked the Ukrainian side for support to peaceful unification of North and South Koreas.

In his turn, Tkachenko estimated the visit of the North Korean delegation is "the deepening of friendship and legal basis for the development of further mutually beneficial cooperation." He thanked the foreign minister for the invitation to visit North Korea and said "the date of this visit will be coordinated in the near future."

Calls Russian Initiative 'Premature'

LD0806095994 Moscow ITAR-TASS in English 0937 GMT 8 Jun 94

[Report by ITAR-TASS correspondents Viktor Demidenko and Mikhail Melnik]

[Text] Kiev 8 June TASS—During his official visit to Ukraine, North Korean Foreign Minister Kim Yong-nam avoided assessing the initiative of Russia, which moved to settle the Korean problem at an international conference.

"It is premature to speak about an international conference on the nuclear programme of the Korean People's Democratic Republic [People's Democratic Republic of Korea]. Russia's initiative is yet in the state of examination," he told ITAR-TASS here on Tuesday [7 June]. The minister avoided further comments on this subject. He said that he would touch in greater detail on the problem

during his rounding off press conference, which is to be held here on Wednesday afternoon.

In light of the crisis on the Korean peninsula, Russia has moved to call an international conference with the participation of the two Korean states, the U.S.A., Japan, China, Russia, the United Nations, and the International Atomic Energy Agency.

Dwelling on the state of Ukrainian-Korean relations, Kim Yong-nam noted during his talk with First Vice-Speaker of the Ukrainian Parliament Aleksandr Tkachenko that "the KPDR [DPRK] leadership was a dependable partner of Ukraine on the international arena. The Korean People's Democratic Republic wholly backs Ukraine's efforts to build up an independent and democratic state. It is sure that Ukraine will assume a worthy place in the world community." The North Korean foreign minister positively assessed the decision of the Ukrainian state to become a nuclear-free power.

The minister highly praised Ukraine's foreign policy, because it "comes out for the solution of all the existing problems through negotiations and on the basis of international norms." He thanked the Ukrainian side for its "support to the plan to reunify North and South Korea by peaceful means." Tkachenko described the visit of the Korean delegation as "a continuation of the efforts to strengthen friendship between the two countries and to consolidate the legal foundation for further mutually advantageous cooperation between the two countries." Thanking the minister for the invitation to visit North Korea, he said that "the date of the trip would be decided shortly."

Different aspects of cooperation between Ukraine and the Korean People's Democratic Republic were also discussed during Kim Yong- sam's meeting with Ukrainian President Leonid Kravchuk. The latter noted that Ukraine was making important steps towards the implementation of its nuclear-free status. He said the internal situation in the country was stable.

Vietnam's Vo Van Kiet Arrives on Official Visit

LD0806084994 Moscow ITAR-TASS in English 0836 GMT 8 Jun 94

[Report by ITAR-TASS correspondents Viktor Demidenko and Mikhail Melnik]

[Text] Kiev 8 June TASS—Prime Minister of the Socialist Republic of Vietnam Vo Van Kiet arrived here for an official visit today. The "Borispol" airport was decked out with Vietnamese and Ukrainian flags in honour of the distinguished guest. A guard of honour was lined up and the anthems of the two countries were played.

The head of the Vietnamese Government will be received by Ukrainian President Leonid Kravchuk, First Vice-Speaker of the Ukrainian Supreme Soviet Aleksandr Tkachenko, and Acting Prime Minister Yefim Zvyagilskiy. The sides are expected to sign some Ukrainian-Vietnamese documents and to expand mutually advantageous cooperation.

The Vietnamese premier will fly to St. Petersburg on 10 June.

Crimea, Nuclear Disarmament Discussed With U.S. Official

WS0806095794 Kiev Ukrayinske Radio First Program Network in Ukrainian 1400 GMT 7 Jun 94

[Text] At the request of the U.S. Embassy in Ukraine, members of the Ukrainian Supreme Council commission for defense and state security issues met with Robert (Hansen), a high-level official from a research bureau at the U.S. Department of State. He studies [word indistinct] problems of East European countries. He had already visited Russia. As for our country, he is interested in Ukraine's eastern regions. The commission's head Volodymyr Mukhin, who represents Kharkov Oblast in the parliament, answered the guest's questions about this region. Also discussed was the situation in the Crimea, and problems of Ukraine's nuclear disarmament. In the words of (Hansen), the U.S. ambassador to Ukraine, William Miller, will soon meet with the commission for a detailed examination of the above issues. The deputies also met with Simon Hemans, ambassador extraordinary and plenipotentiary of Great Britain to Ukraine. They agreed to organize a trip of the British Defense Committee to Ukraine.

Kiev Protests Against Russian Statements on Crimea

LD0706223294 Kiev UNIAR in Ukrainian 2050 GMT 7 Jun 94

[Text] Kiev, 7 Jun—Volodymyr Kryzhanivskyy, Ukraine's ambassador to the Russian Federation, met with the director of the Russian Foreign Ministry cooperation department and handed him two notes from the Ukrainian Foreign Ministry, drawing attention to the report by the head of the Russian delegation at the CSCE standing committee's plenary sitting in Vienna where the question of the situation in the Republic of Crimea was addressed. Ukraine's Foreign Ministry, in particular, pointed out that the report referred to the existence of the sovereign Republic of Crimea within Ukraine. The Ukrainian Foreign Ministry qualifies this as nothing other than a statement contradicting the Russian Federation's official position on the issue of respect for the sovereignty, territorial integrity, and existing borders of Ukraine and regards it as interfering in Ukraine's internal affairs. This was a statement made by Yuriy Serheyev, head of the information directorate at Ukraine's Foreign Ministry at a briefing.

In connection with the Ambartsumov's deliberations published by LITERATURNAYA GAZETA, the Ukrainian Embassy in Russia issued another note pointing out that, according to the embassy's data, Mr. Ambartsumov

has been appointed as an extraordinary and plenipotentiary ambassador of Russia. The following question arises: Do Ambartsumov's statements that the USSR's acts on the integration of Crimean Oblast in Ukraine are unlawful, that the Russian Federation Supreme Council's notorious decision on the status of the city of Sevastopol is incorrect and that the borders between our states are not final, correspond to the Russian Federation's official stance?

Vice Premier Says Sevastopol To Remain Russian Base

MK0706081094 Moscow SEGODNYA in Russian 7 Jun 94 p 1

[Report by Konstantin Parishkura under the "Peninsula" rubric: "Sevastopol Will Remain Russian Naval Base"]

[Text] "The experts have managed mainly to complete work on dividing the water craft of the Black Sea Fleet into classes," said Vice Admiral Volodymyr Beskorovaynyy, commander of the Ukrainian Navy, upon the completion of talks between Ukrainian and Russian delegations on the problems of the Black Sea Fleet in Sevastopol. The experts' conclusions have not been officially formulated yet, while Vice Prime Minister Valeriy Shmarov, head of the Ukrainian delegation, told journalists that Sevastopol will definitely remain a base of the Russian Federation Navy following a corresponding legal procedure. The location where Kiev will receive ships after the division of the Black Sea Fleet is yet unknown, although Donuzlav is being named as the most probable port.

In the meantime it has become known that a joint working group of Ukrainian and Russian parliamentarians is supposed to submit proposals before 15 June on harmonizing the constitutions and legislation of both sides. The Ukrainian delegation and the working group of the Crimean Supreme Soviet have appealed to President Kravchuk and Ukraine's parliament to introduce no sanctions before this date for not acting on the decree calling for bringing Crimea's laws into line with those of Ukraine. The sides urged the presidents and parliamentarians of Ukraine and Crimea "not to take unlawful, uncoordinated actions in regard of the power structures responsible for the maintenance of law and order in Crimea."

On 6 June the presidium of Crimea's Supreme Soviet appointed Vladimir Karpov, adviser to the president of Crimea, head of the joint working group that will draft and submit proposals on bringing the republic's laws into line with those of Ukraine. His candidacy is supposed to be up for confirmation at today's session of the Supreme Soviet of Crimea when the deputies hear a report on the results of the talks with the Ukrainian delegation.

Russian Bank in Sevastopol To Finance Black Sea Fleet

MK0806083094 Moscow SEGODNYA in Russian 8 Jun 94 p 1

[Report by Viktor Yadukha under the "Crimea" rubric: "'National Credit' Will Be Financing Black Sea Fleet"]

[Text] Valeriy Baranov, administrator of affairs of the Russian "National Credit" bank, and Viktor Semenov, head of the Sevastopol administration, agreed on 7 June to open in the city an agency of the bank which is to be turned into its permanent branch in a month.

A limited partnership, "National Credit" is an authorized bank of the Moscow government. Its founders are the "Olbi" concern, the "Interkoys" joint venture, the "Mezhdunarodnyye Otnosheniya" publishing house, the Savings Bank of Russia, and the "Industriya Service" bank. Its start-up capital is 37 billion rubles.

The decision to open a "National Credit" branch in Sevastopol was made under the Russian-Ukrainian agreements on financing for the Black Sea Fleet. Mr. Baranov stated that the bank intends to introduce new types of services on the territory of Ukraine in line with the laws of Ukraine or Crimea depending on which will register it. "National Credit" is to function in Ukraine as a foreign bank whose chartered fund at the time of registration stands at 10 million European Currency Units. If the Russian authorities set the promised 52 billion rubles aside for Sevastopol, the start-up capital of "National Credit" would grow to match this figure. "National Credit" is expected to take the niche of the Dnepropetrovsk "Privat Bank," which up to recently acted as an intermediary in the transfer of Russian money to the Black Sea Fleet.

According to bank representatives, the opening of the branch does not signify turning Sevastopol into a ruble zone oasis. It is still not clear in which currency Black Sea Fleet sailors will be paid.

The same day a cable came to Sevastopol from Ukraine's Finance Ministry saying that Kiev has set aside for the city a preferential credit to the tune of 50 billion karbovanets.

Joint Stock Company With Russia To Expand Gas Pipeline

WS0806070894 Kiev UKRINFORM in English 0529 GMT 7 Jun 94

[From the "Business News Weekly" feature, May 30-Jun 5 94]

[Text] A Russo-Ukrainian joint stock society expected to be set up in late 1994 to expand Ukraine's transit gas pipeline network. A tentative agreement to the above effect was reached as a result of negotiations in Kiev on 1-3 June involving Russia's Gazprom and the Ukrgazprom.

The decision is probably in perfect harmony with the Russian Gazprom joint-stock society's strategic program dubbed "Highly Reliable Pipe-Line Transport," which was discussed in Moscow in March with active participation of Ukrainian experts including academician Boris Paton himself, president of the Ukrainian Academy of Sciences and the world's top-notch authority in the domain of arc welding. Mr. Paton has been personally supervising the program's major section, which involves anti-corrosion agents and corrosion-resistant equipment (see UBN no. 14/1994).

In the meantime, on 27 April 1994, the Ukrainian State Committee for oil and gas made a decision to set up the Ukrgazprom (Ukrainian Gas Industry) joint-stock society, by way of an experiment, based on the existent Ukrgazpromstroi (Ukrainian Gas Industry Construction) and as the latter's affiliate, through a merger of the industry's construction enterprises in East Ukraine.

Obviously enough, Ukraine's jurisdiction over a part of the former USSR's integral gas pipe-line system does not relieve Russia, as the world's major natural gas exporter, from the burden of troubles involved in maintaining the gas piping system's technical standards and its improvement and expansion.

Russia's lawmakers continue hearings involving a law on pipe-line transport, which reportedly has triggered considerable controversy among the interested parties. Russia's strategic program was drafted and basically approved by the former USSR's government back in 1991. Its practical implementation started a year later.

However, after the USSR's disintegration, it was approved by both the Russian and Ukrainian governments on an governmental basis, though its financing by the Ukrainian party virtually discontinued, despite the fact that Ukraine accounts for the bulk of theoretical, R&D and feasibility studies involved in the program.

Nonetheless, Ukraine intends to finalize and implement on its own a national program, which has been dubbed Ukraine's Highly Reliably Pipe-Line Transport, and which is based on recent intergovernmental agreements.

The CIS's major pipe-line system is 220,000 km.-long. Its compressor stations' aggregate capacity is estimated at 50 million kW. According to Russia's Gazprom, 138,000 km.-long. pipe-lines are presently operational Russia-wide. Major pipe-lines' wear and tear status poses as a major environmental threat with 25 per cent of pipe-lines having been operational for over two decades, 5 per cent for over the critical 33 year period, and 38 per cent for periods between one and two decades, and thus in bad need of repair and reconstruction.

According to the Ukrainian State Committee for oil and gas, Ukraine's 35,800 km.-long pipe-lines are operational. Besides, the Druzhba (Friendship) and Samara petroleum export pipe-line systems are located in Ukraine, plus 70,000 km.-long pipe-lines of Ukraine's domestic distribution system and about 5,000 km.-long petroleum and product pipe-lines (a total of five systems including two exclusively export ones). Ukraine's 14 gas pipe-lines can transport 266 b. cu. m. of natural gas a year.

According to experts with the Ukrainian Research Institute for gas piping, Ukraine's national major pipe-line network does not require any sizable expansion. However, its domestic distribution system and major pipe-lines' branches should be developed to stabilize natural gas supplies primarily to Ukraine's three large industrial regions, to wit, the Kharkov, Donetsk and Transdnieprian regions. Besides, the existent network is not an integrated system, which would allow to optimally and efficiently redistribute fuel flows both within Ukraine and intended for exports.

Experts with the Ukrainian oil and gas industry are currently drafting feasibility studies and relevant legislative acts for the Ukrainian Pipe-Line Transport project.

Turkmen Natural Gas Supplies Lag Behind Schedule

WS0806070994 Kiev UKRINFORM in English 0529 GMT 7 Jun 94

[From the "Business News Weekly" feature, 30 May-5 Jun 94]

[Text] During the 27 May through 1 June period 311.9 million cu. m. of Turkmen natural gas were piped to Ukraine instead of the planned 384.5 million cu. m. amount.

According to Ukrgazprom's maintenance-dispatching service, in this way 1,207.6 million cu. m. of natural gas failed to be piped to Ukraine, as of early June.

Meanwhile, Russia's natural gas exporter has kept piping extra amounts of natural gas to Ukraine. Thus, within the 27 May-1 June period Russia exported 2,869.9 million cu. m. of natural gas, almost 42 million cu. m. of which were in excess of the agreed amount. All-in-all, 541.5 million cu. m. of extra natural gas amounts were piped to Ukraine, as of early June 1994.

According to Yevgeni Sukhin, first deputy chairperson of the Ukrainian State Committee for oil and gas, Russia's stable supplies allowed Ukrgazprom to store about 17 b. cu. m. of natural gas in underground facilities by late May, some portion of which stock will belong to Ukraine. As Yevgeni Sukhin maintains, if Russia and Turkmenistan continue their supplies at present rates, Ukraine will be able to catch up with its gas storaging schedule, currently keeping at an over forthnight's time-lag, which is about 25 per cent lower versus 1993's respective amount, though it will be a hard job.

Ukraine's domestic gas consumption has been much lower, than normally with late May's averaged daily consumption rate of 195 million cu. m. versus April's

240 million cu. m. According to Mr. Sukhin, April's gas consumption cost Ukraine $7 million a day with 1,000 cu. m. of natural gas priced at $50, even considering Ukraine's domestic extraction of 50 million cu. m. of the above amount. Gas transit piping charges cost Ukraine additional $50 million.

January's daily consumption of natural gas was as high as 320 million cu. m. During the 27 May-1 June period of 1994, Ukrainian domestic consumers utilized 979 million cu. m. of natural gas versus the planned 1,319.5 million cu. m. figure. According to Ukrgazprom, 2,150.1 million cu. m. of natural gas was saved to be piped to reserve stocks, due to suspended gas supplies to debtor-enterprises.

National Affairs

Crimean Supreme Council Session Resumes

LD0706103594 Kiev Radio Ukraine World Service in Ukrainian 1000 GMT 7 Jun 94

[Text] Plenary sessions of Crimea's Supreme Council resumed in Simferopol today. The Supreme Council's press center reports that the question of the summary document prepared by the joint working group of the Ukrainian and Crimean Supreme Councils was raised this morning. Information was also heard on the situation on the peninsula. The session then began to examine issues on the agenda. A draft law on deputies of the Crimean autonomy was submitted for discussion.

Crimean Interior Minister on Police Subordination

LD0706134094 Moscow ITAR-TASS in English 1322 GMT 7 Jun 94

[Report by UKRINFORM correspondent Lev Ryabchikov]

[Text] Simferopol 7 June TASS—The Crimean police are not transferred in subordination to the Ukrainian Interior Ministry's Main Interior Department for the Crimea as it was claimed by visiting heads of the Ukrainian ministry over the local TV and radio, Crimean Interior Minister Valeriy Kuznetsov has told a parliament meeting.

In his words, the Crimean police continue working in a normal regime. Chairman of the republican security service Vladimir Lepikhov told the deputies he has no information on increased tension on the peninsula.

Interior Ministry Statement on Action by Crimean Official

LD0706152394 Kiev UNIAN in Ukrainian 1200 GMT 7 Jun 94

[Text] Kiev [no date as received]—UNIAN reported yesterday that Valeriy Kuznetsov, Crimea's internal affairs minister, met in an isolation remand cell with Citizen Rayil Khayrov who is accused of the November 1993 murder of Crimean Tatar leader Yuriy Osmanov.

The main public relations center of Ukraine's Internal Affairs Ministry assessed these actions by Valeriy Kuznetsov, whom Ukraine's Internal Affairs Ministry does not recognize as head of the Crimean militia, as illegal.

Ukraine's Internal Affairs Ministry's official explanation stresses that "R.K. Khayrov, born in 1968, was previously sentenced to two years of corrective labor. He is presently being held criminally liable in accordance with Article 93 'A' (murder for mercenary motives) and Article 42 (robbery with assault) of Ukraine's criminal code for the murder of Citizen Osmanov Yu. B., committed on 6 November 1993.

Notwithstanding that the defendant committed the gravest crime against an individual and in disregard of existing norms and regulations, V. Ye. Kuznetsov issued an instruction to bring Khayrov out of the cell where he was in detention, into an individual office for a meeting with him. The employees of the isolation remand center were ordered to leave the premises immediately. The private conversation between V.Ye. Kuznetsov and the defendant lasted for six minutes. Thus, by his actions he grossly violated Article 12 of the law of Ukraine "On preliminary confinement," Article 162 of the Criminal Procedural Code of Ukraine, and also a number of clauses of the instruction on the procedure for detaining individuals taken into custody and defendants in isolation remand cells of Ukraine's Ministry of Internal Affairs. In accordance with these normative acts, V. Ye. Kuznetsov, even if he were a minister, did not have the right to such a meeting with Khayrov without written permission from the Republic of Crimea's Supreme Court, which is currently examining this matter.

In arranging a personal meeting with the defendant, V. Ye. Kuznetsov exceeded his official authority, which could lead to a leak of investigation secrets and other negative consequences. There is not a single doubt that this was done purposefully, consciously, and intentionally. The disdain and self-seeking of V. Ye. Kuznetsov in achieving his intentions are also undoubted.

While addressing occasional recommendations to the personnel of the Republic of Crimea's internal affairs bodies to abide by legality and the provision of law and order, in practice he is insolently disregarding the current laws of Ukraine."

Parliament Official Optimistic About Talks With Crimea

LD0706173294 Kiev UNIAN in Ukrainian 1200 GMT 7 Jun 94

[Text] Kiev—Volodymyr Butkevych, head of the working group of Ukraine's Supreme Council, which is

in Crimea and head of the Supreme Council Commission of Human Rights, National Minorities, and Interethnic Relations, and a UN expert on human rights, has said at a news conference that during the joint Ukrainian and Crimean parliamentary working group's trip to Crimea, a base was created for the peaceful settlement of the current problems. He refused to qualify the situation with Crimea as a "conflict," a "dispute," or a "constitutional crisis," but only as a situation that has arisen because of the nonconformity of Ukraine's legislation with that of the autonomous republic. Volodymyr Butkevych gave assurances that there no particular claims and demands were made by either side during the talks. Difficulties only arose because both sides have a different interpretation of the same articles of the law.

In his words, the results of the working group's stay in Crimea are set out in a document which contains a provision on the nonconformity of some legislative acts of the Supreme Council of Crimea with Ukrainian legislation. The working commissions of both parliaments should, within two weeks (by 15 June), submit proposals with regard to this for consideration by the two Supreme Councils.

The joint working group asked the parliaments of Ukraine and Crimea to refrain from actions that could influence the commission's work, and also asked president Meshkov of Crimea to contribute to the commission's work.

In the words of Volodymyr Butkevych, the working group, headed by Volodymyr Stretovych, chairman of the Supreme Council Commission for Issues of Legal Policy and Judicial and Legal Reform, left today for Crimea in order to continue coordinating the work.

In reply to a question whether Volodymyr Butkevych could foresee the possibility of a referendum in Crimea on its secession from Ukraine, he said that, according to international law, a change in the public power in Crimea is the prerogative of the entire Ukrainian people. A plebiscite of the whole Ukrainian population and not a referendum of just the Crimean population should be held on this.

Speaking about the possibility of recognizing the Majles of the Crimean Tatar people as a body of higher authority in Crimea Volodymyr Butkevych noted that even the UN [United Nations] does not have a common viewpoint on whether an indigenous population has a right to self-determination on its historical homeland. Opponents of such a viewpoint argue that almost all conflicts in the world have erupted on these grounds. Volodymyr Butkevych noted that in Crimea this issue has not been discussed at an official level.

Replying to a question from UNIAN on the expediency of suspending Crimea's economic laws, which were passed by its parliament after 19 May, and also on a request to forecast the actions of Crimea's parliament after the end of the period of elaborating proposals with regard to making the legislation conform, Volodymyr Butkevych said that the Crimean MP's confess that the laws which they have adopted have not yet been implemented. He also stressed that the Supreme Council of Ukraine and not the Supreme Council of Crimea would have the last word after the end of the agreement period (15 June). However, he is convinced that every ground exists for consent to be reached between the parliaments. The only thing which could be an obstacle is the short time available (two weeks), during which proposals should be prepared. But he is convinced that in that case, there could be discussion on extending the period.

Volodymyr Butkevych said that during the talks, the Crimean side expressed the wish to form another commission, with the participation of Ukrainian economists Volodymyr Lanovyy and Viktor Pynzenyk, which would study economic relations between Ukraine and Crimea.

Crimean Deputies Discuss Final Document

LD0706202294 Moscow ITAR-TASS in English 1641 GMT 7 Jun 94

[Report by UKRINFORM correspondent Lev Ryabchikov—TASS]

[Text] Simferopol 7 June TASS—A final document of the Ukrainian parliamentary delegation and the Crimean parliamentary working group adopted on 2-3 June in Simferopol has been described as a concession to the Ukrainian leadership by some Crimean deputies today. They demanded explanations who gave the working group the authority to sign the document.

Crimean Parliament Speaker Sergey Tsekov said the parliament had just forgotten to establish powers of the group at the negotiations, and objected to criticism.

In his turn, head of the working group Sergey Nikulin called the deputies' attention to the fact that every word of the document was well-considered and it carries no "wordings that impose obligations on any side."

The final document was taken into account, and the parliament decided to set up a new working group to continue the negotiations. This time the group's powers will be specified by the next parliament plenary scheduled for 14 June.

Crimea To Establish New Delegation for Talks in Kiev

LD0706224994 Moscow INTERFAX in English 1807 GMT 7 Jun 94

[Text] The Crimean Supreme Soviet decided today to set up a new working group for further talks with Kiev and to define its authority.

The parliament's presidium will put forward candidacies for participation in the delegation by the next regular meeting which will take place in a week (on 17 June).

This decision was adopted after most of Crimean deputies had withheld their approval of the final document signed by the Crimean parliament working group and the Ukrainian Supreme Soviet deputy commission signed on 3 June and stating that Crimea was a part of Ukraine.

The working group on the coordination of Ukrainian and the Crimean legislation was established last week in Simferopol in order to put forward proposals on coordination of the Ukrainian and Crimean constitutions by 15 June.

Crimean Chief Negotiator Sergey Nikulin stated that some pro-Russian deputies though it was necessary to sign a document with more decisive formulas mentioning Crimea as an independent republic.

However, Nikulin said that the Ukrainian and the Crimean delegations had tried to prevent forceful methods of settlement of the discord in the legislation.

The present conflict between Kiev and Simferopol emerged after the Crimean parliament had restored the Crimean Constitution in its version of 6 May 1992, providing for a treaty basis for relations with Ukraine and for dual citizenship for Crimeans.

Crimea MVD Chief Views Situation in Agency

944K1371A Simferopol YUZHNYY KURYER in Russian 3 Jun 94 p 3

[Interview with Militia Colonel V. Chernyshev, Ukrainian deputy minister of internal affairs and chief of the Main Administration of Internal Affairs in the Crimea, by Oleg Mashchenko; place and date not given: "My Militias Will Keep Me Safe?"]

[Text] The proverb about too many cooks spoiling the broth is well known. We have not reached this number of law enforcement organs yet; for now there are just two of them. However, a common citizen may easily get a black eye on a dark street (or even a well-lit one).

Services that are called upon to protect our peace and quiet have ended up dragged into the "tug-of-war" between Simferopol and Kiev against their will. The position of the Crimean authorities with regard to the edicts of L. Kravchuk has been repeatedly covered in the mass media organs.

We suggest that the readers familiarize themselves with the opinion of Militia Colonel V. Chernyshev, Ukrainian deputy minister of internal affairs and chief of the Main Administration of Internal Affairs in the Crimea.

[Mashchenko] Apparently, it would be legitimate to first learn some more detailed information about you personally.

[Chernyshev] I, for one, am a native of Crimea. I was born and grew up here. I am an ethnic Russian. During the 22 years that I have served in the internal affairs organs. I have worked for 14 years on our native peninsula, in Bakhchisarayskiy and Belogorskiy Rayon departments, in various operational and command positions, including as chief of the rayon militia. In recent years, I have served as deputy chief of the department of Administration of Criminal Investigations and as first deputy chief of the Ukrainian Ministry of Internal Affairs [MVD] Main Administration of Criminal Search.

[Mashchenko] With a view to filtering out all manner of rumors and fantasies associated with the reorganization of the MVD of the Autonomous Republic of Crimea, I would ask you to explain to the readers what the basis for the decisions in question was.

[Chernyshev] I would like to note right away that not a single violation of the legislative acts in effect in both the Republic of Crimea and Ukraine was allowed to occur in the process of creating the Main Administration of Internal Affairs in the Crimea. If we turn to specific documents then, on the basis of Article 114-5, Point 7 of the Constitution of Ukraine, the president of the state is entitled to establish, reorganize, and liquidate ministries, departments, and other organs of state executive power in the territory of Ukraine. This is precisely why a reorganization, rather than the breakup of the MVD as certain politicians paint it; the Main Administration of Internal Affairs is a prerogative of the president of Ukraine. The edict of L. Kravchuk dated 18 May of this year is an absolutely lawful document.

The crime situation that has remained extremely tense in the Republic of Crimea in recent years was the foundation for this step. Everybody is still talking about quite a number of bloody crimes committed here with the use of automatic weapons. The fact that some subunits, such as the waterway and railway militia that performed their official duties directly on the territory of the autonomous republic were actually managed from Kiev and other cities of Ukraine rather than by the Crimea MVD played quite a role in the reorganization of the Crimea MVD. The efforts of absolutely all Crimea law enforcement organs will now be coordinated by the Crimea Main Administration of Internal Affairs. The management of the militia will be in the strictest compliance with the letter of the law in view of the fact that previously the organs of internal affairs, obeying "pointers from on high," on occasion had to perform functions that are not characteristic of them. At the same time, the confirmation of Reserve Major General V. Kuznetsov in the nonexistent position of minister of internal affairs was conducted in gross violation of legislative acts currently in effect. According to Article 7 of the Ukrainian Law on the Militia and Point 8 of the Regulations on the Republic of Crimea MVD, such an action must mandatorily be coordinated with the Ukrainian minister of foreign affairs.

[Mashchenko] Valeriy Serafimovich, how can you as a professional characterize the actions of Major General V. Kuznetsov in the course of leading the internal affairs organs on the peninsula?

[Chernyshev] Mr. Kuznetsov is certainly a strong-willed, decisive person. This is not just my personal opinion but also that of the leadership of the Ukrainian MVD. However, we should note in particular that top-notch specialists who have an excellent knowledge of their jobs have been valued the most at all times and in all positions, to say nothing of leadership positions. Reserve Major General V. Kuznetsov does not have the special training that is necessary even for the rank-and-file employees of the internal affairs organs. He is not a lawyer; it is hard for him to make the only correct, legitimate decisions commensurate with the existing situation without any experience in work in the law enforcement organs and without the knowledge of legal legislation. This is not his personal fault. Undoubtedly, the militia must not be politicized. Incompetence brings about, putting it mildly, ill-conceived steps. Let us look, say, at the directive of General Kuznetsov dated 21 May on arming the personnel of the reorganized ministry and the internal affairs organs of the Crimea with automatic weapons and issuing bulletproof vests to personnel. Later followed the command to capture the unarmed servicemen of the Ukrainian National Guard who were on patrol in the vicinity of the TV and radio center in Simferopol, provide reinforced guard details for the buildings of the Supreme Soviet of the Crimea, banks, executive committees, and other important facilities. Unverified (?), simply put false information was the basis for making this crucial decision. It is easy to guess what the consequences of the actions of "Berkut" combatants, armed with assault rifles in the downtown of the main city of the Crimea, could have been.

Irreparable events did not occur due only to the self-control of the militia personnel and servicemen of the National Guard of Ukraine. I would like to stress the need to be aware of the fact that the control of armed law enforcement units that continuously operate among the civilian population and accomplish the tasks of protecting public order and combating crime differs fundamentally from the rigid nature of commanding the troops whose most significant mission is to engage in combat.

[Mashchenko] As an official, you must trust only the facts. Nonetheless, allow me to ask you a question that derives from rumors. They are talking about the alleged discontinuation of funding for the internal affairs organs of the Republic of Crimea, the forthcoming reshuffle of the cadres, and cutbacks in positions. What is the actual situation?

[Chernyshev] I can state with the full weight of responsibility that these are instigative lies. The receipt of monetary funds from the Ukrainian MVD has not ceased. The account of the Crimea Main Administration of Internal Affairs has already been opened; the administration is being funded in amounts sufficient for ensuring its regular operations. This means that the payment of monetary allowances and other allotments to the personnel of the Crimean militia will be made in full, just as before.

No unsubstantiated replacements of any kind will be made in the cadre staff. I will personally prevent any reprisals against functionaries fantasies on whose account currently interfere with their regular work.

The objective of individuals who spread such disinformation is as clear as can be: to create an unhealthy, nervous situation within the ranks of the internal affairs organs. They are trying to set personnel against lawful decisions of the Ukrainian president, the Cabinet of Ministers, and the Ukrainian minister of internal affairs. A decision on these issues has also been made by the Ukrainian Collegium of the MVD. It says unambiguously that the staff positions of the reorganized Ministry of Internal Affairs of the Republic of Crimea will be kept in full within the structure of the Crimea Main Administration of Internal Affairs. The ranks and volume of position pay for our personnel will remain the same.

Only the positions of minister and deputy ministers of internal affairs are not envisioned on the staff of the Main Administration of Internal Affairs in the Crimea. Just as before, social protection guarantees envisioned by legislation in effect cover all personnel.

In summary, I would like to address all personnel of the internal affairs organs and residents of the Republic of Crimea, taking advantage of the present opportunity. I understand full well the complexity of the situation in which you are finding yourselves when they are trying to hold the militia hostage to someone else's political ambitions and confront it with the unnecessary choice of "who to obey?" Everything possible should be done in order to prevent the law enforcement organs from getting involved in political games; just as before, it is necessary for these organs to remain calm and restrained.

At present, our main task is to make a deliberate, offensive effort to step up the fight against crime, and to uncover and put the harshest end to the activities of organized groups of malefactors. Our citizens and the guests of the beautiful land of the Crimea should be confident of their security, which the militia must guarantee for them. I would like to ask my comrades-in-arms to remain faithful to your oath and the tradition of the internal affairs organs.

Report Stresses Kuchma's Change of Policy

AU0706111094 Kiev MOLOD UKRAYINY in Ukrainian 31 May 94 p 1

[Report by Tetyana Khomych: "Leonid Kuchma: 'In Order To Overpower the Mafia, One Needs To Head It'"]

[Text] It is good to get registered as a presidential candidate in Chernihiv and forge one's political image in the east. This truth was recently once again proved by Leonid Kuchma, who paid a short, but rich visit to the Dnieper Region. The ex-prime minister and present leader of Ukraine's Union of Industrialists and Entrepreneurs and a claimant to the post of president of the

state launched a decisive attack on the consciousness of his former fellow countrymen and associates, whose support at the forthcoming presidential elections he is seriously counting upon.

At the "conference," which was hastily convened by the Interregional Block of Reforms [MBR], those present were showered with not quite radiant forecasts. In this, the people's deputy and one of the MBR leaders may successfully compete with yet another fellow-countryman—Pavlo Hloba [not further identified]. It is true, though, that the proponent of the strong hand and single power in the state, unlike the psychic, does not specialize in collapses in the city underground or similar trifles: Leonid Danylovych [Kuchma]'s line of business is economic and sociopolitical cataclysms.

However, this time, the former head of government and presently, according to him, a dissident Ukrainian politician ("I said at the news conference in the United States—I am not allowed to go anywhere...") failed to amuse the public. Old cliches were mainly played back—that Ukraine on its own will not be able to emerge from the crisis, that it must urgently decide with whom it is going to side, that, without Russia, former USSR republics, or CEMA countries, we will not survive, and that as early as in June there will be a social explosion, not to mention economic paralysis (therefore, it is pointless to postpone the presidential elections), that contradictions between western and eastern Ukrainian regions are on the rise, and this may lead to unpredictable consequences.... However, a number of ideas voiced by him indicated that it is too early to brand Kuchma as a steadfast political dogmatist. Since he has not been in power and in view of the new realities, his views have undergone a gradual evolution. For example, perhaps for the first time in his numerous interviews, which have abounded in eastern Ukrainian newspapers over recent months, the advocate of Ukraine's federal-land structure came out against the immediate territorial revolution in Ukraine and explained that we can get "26 Crimeas"—in the opinion of the ex-prime minister, federal-land structure is a long-term prospect for the state.

L. Kuchma also spoke harshly against elections to local councils. He argued his position with the circumstance that "due to the apparatus games of the leadership of the former Supreme Council, we tried to return the Soviet regime, but in a more monstrous form." Having destroyed the vertical structure and having thereby endowed leaders of regions with powers "similar to those of the president" in the sphere of resolving not only economic, but also political issues, the state, in the opinion of the claimant to the post of its leader, risks much.

With all the ardor of the former head of the Cabinet of Ministers, L. Kuchma also touched upon prospects of the Ukrainian economy. In his firm opinion, most radical reforms are imminent there, since "70 percent of everything that we manufacture takes the form of assembly parts for CIS countries." The general of the defense industry compared Ukraine with a huge base for the building up of the Russian military-industrial complex and emphasized that Ukraine neither did nor does manufacture a single type of weapon in its finite form, and that "somebody took good care of that." For many people, the following discovery made by Leonid Danylovych, an old-time and frank proponent of "a closer union" between Ukraine and Russia, came as a surprise. "I am not calling for the return to the Soviet Union, because it is impossible. This is because in such a situation, even if, tomorrow, we were suddenly to wake up in the Union, Moscow will never invest anything in provinces. Nor can Ukraine go back to the ruble zone, although such voices do sound today among the directorate—for this is a single policy with regard to taxation and a single emission bank. This is really a complete loss of statehood...."

In short, there were enough political passages to succeed in confusing the audience on which was the true Kuchma and which the politician, counting on obtaining as many votes as possible at the elections and, in practice, constructing a pyramid of political autocratic rule in Ukraine. At that point, the audience was offered, on the rebound, a model of the following type of administration: Leonid Kuchma did not conceal either his admiration for the fact that [Yuriy] Andropov [former Soviet leader] established order in the country "without a single tank" or his disposition to "cruel" [zhorstoki] measures for establishing order in the state. "It is not a slip of the tongue," pointed out the politician, "not stringent [zhorstki], but precisely cruel" and explained that, by this, he implies unconditional fulfillment of current laws by everybody without exception.

The speech and the answers to journalists' questions generally attested to the well-considered nature of Kuchma's presidency program and also to the fact that the MBR leader is seriously counting upon this victory. However, Leonid Kuchma did not sound like a candidate for the post from this specific alliance, and, in Dnipropetrovsk, he does not stress his close affinity to it, thereby giving yet another reason to think that great politicians never remain lifelong friends with losers. Instead, Kuchma did not persist in denying that his program coincides with the program of left-wing forces—he pointed out his readiness, whenever necessary and possible, to cooperate with Communists and even with National Radicals, however, it looks like this is also up to certain point, because he does not recognize coalition governments, or governments of confidence, or such things.

"I can say that I made the trip to the United States in order to ask what kind of Ukraine the Americans wanted to see," admitted the politician, having stressed yet another time that not only was he proceeding to power by the path beaten by the Russian president, but that he was also confident of victory in the elections. But will Leonid Danylovych have enough like-minded supporters?

Horyn Warns of Communist Comeback, Regrets Deputies' Stance

WS0706120094 Lvov VYSOKYY ZAMOK in Ukrainian 28 May 94 p 1

[Report on a press conference held by Mykola Horyn, chairman of the Lvov Oblast Council, by Dzhemma Dobrovska: "They Say the Chessmen on the Chessboard Have Already Been Arranged"]

[Text] On 26 May, thanks to the consolidated effort by ultra right and left forces, the Ukrainian Supreme Council adopted a resolution rescinding the 23 May decision by the Lvov City Council "On Suspension of Commissions for the Elections to the Oblast Council."

"What the Bolsheviks hoped for so much has actually happened," was the comment of Mykola Horyn, chairman of the oblast council, at a press conference held yesterday. How will the the situation develop?

Given the present situation, the oblast council chairman said, the 26 June elections will definitely take place throughout Ukraine, and in Lvov Oblast in particular. Those elections will legally eliminate the presidential structure all across Ukraine—something that the left forces fought for since the very first day after the last presidential elections. Another important fact produced by the elections, I believe, will be the consolidation of the old-style system of soviets in Ukraine which is becoming a communist reserve. In an unprecedented event in history of democratic development, we will have the elections to a government structure that is not legally defined or acknowledged by the country's highest legislative body.

This enables the left majority in the parliament, on the eve of the elections, to forge a power system well suited for the communist majority in Ukraine. If the present tendencies in parliament continue, one can only imagine what is awaiting us in the immediate future.

A number of questions arise here. Why did the communists care so much about legality and virtually unanimously vote to cancel our decision? I am also tormented by the question why did our "national hero" Stepan Khmara, who shook his fist in front of Moroz two days ago, ally himself with those people and, on top of it, demand that the Supreme Council resolution include a paragraph promising severe punishment for the oblast's leadership if it moves to torpedo the 26 June elections? Is it possible that none of our deputies wanted to take the rostrum to examine this important problem and, as of two days ago, raise a question of the communist coup and sovietization now under way in our country?

The decision by the oblast's council regarding suspension of electoral commissions was intended to attract massive puhlic attention to the situation in Ukraine. Unfortunately, it failed to receive this attention, and the media in Kiev practically blocked it for three days. With tacit approval on the part of the group of democratic deputies, the Supreme Council managed to adopt this decision. This is another victory of the communist majority.

I do not understand the position of some political forces in Lvov Oblast. I appreciate efforts by the Ukrainian Peasant Democratic Party and Ukrainian Republican Party who supported the oblast council's decision. I am especially grateful to the Lvov Oblast Council which boldly kept its ground and saved its moral and political face, living up to expectations of the people that elected it four years ago. However, political haggling has already started in other political organizations staged by specific groups of people and interests. They also helped prevent this decision from becoming a political act. I am concerned about innuendoes spread by the media to attribute specific names to the decision by the oblast's council. Over time, everyone will realize what a big mistake we made by not transforming this even into a political action.

Stepan Davymuk, the Ukrainian president's representative in Lvov Oblast, noted: "Many of our politicians thought that proimperial and communist forces will resign from politics and power. It was naive to think that way. We see those forces forming their political organizations and rapidly gaining influence over certain levers in the economy and the hinterland.

"We deal here with the restoration of the orthodox communist force in various options—as the Socialist, Agrarian Party, etc. As a matter of fact, the idea of resuscitating the old Soviet Union is being restored. This is the most dangerous thing. Ukraine is being driven into a blind alley."

The journalists asked questions primarily about the recent events in the Supreme Council.

Mr. Horyn, do you think that this decision, even if canceled, can still wake up the consciousness of the electorate and politicians? [unattributed question]

I was expecting that at least the consciousness of our Supreme Council deputies would be awakened. I hoped this would be used as a serious chance of countering sovietization and communization of Ukraine, now under way. Unfortunately, thanks to the consolidation of the right and left forces, the decision was adopted. This revealed the parochial interests of certain political organizations. They say that chessmen have already been arranged on the chessborad, and [communists] decided to go all the way, no matter what the outcome of this game will be.

Kravchuk Urges Improvement of Army Command Units

WS0806104594 Kiev Ukrayinske Radio First Program Network in Ukrainian 1400 GMT 7 Jun 94

[Text] A two-day operational meeting of Ukrainian military officials as well as leaders of other ministries

and institutions, Cabinet of Ministers, and the military industrial complex is underway. Our correspondent Marat Pogorelov reports.

[Begin recording] [Pogorelov] This event is characteristic for any civilized state. [It is designed] to review the current situation in defense, exchange ideas, and work out a long-term strategy. Ukrainian President Leonid Kravchuk, supreme commander in chief of the Ukrainian Armed Forces, read a report at the meeting. He said:

[Kravchuk] Let me stress that this meeting is very important for each participant, allowing him to determine his place and role in executing decisions regarding heightening combat readiness [words indistinct] strengthening the defense capability of our state. I think there is no need to prove how urgent and important (?this task is). We also need to acquaint ourselves [words indistinct] new weapons and military equipment, share experiences, and jointly devise relevant methods for managing the military. So, as you see, the goal of this meeting covers a broad range of issues that have one thing in common: to achieve fundamental improvement in and training of command units and [words indistinct]. Those who are attending this meeting in the first place are those upon whom the training and development of the Ukrainian Armed Forces depends. During this meeting, we expect active participation and creative approach from all participants, because—and let me repeat this—in many things, we begin [word indistinct] and make our first steps.

[Pogorelov] Army General Kostyantyn Radetskyy, Ukrainian defense minister, gave a report outlining the concept of building up and developing the Ukrainian Armed Forces. The operational meeting will end on 8 June at the "Desna" training facility in Chernigov Oblast.

Says Army Should Stay 'Aloof' From Politics

LD0706194494 Moscow INTERFAX in English 1807 GMT 7 Jun 94

[Text] The Ukrainian Army should stay aloof from politics, according to Ukrainian President and Supreme Commander of Armed Forces Leonid Kravchuk. "Political feuds should not touch the Army," he told a conference of chief executives devoted to army issues in Kiev today.

"According to the requirements of the times, the armed forces and the state machinery must be permanently ready to defend Ukraine, its sovereignty and territorial integrity," Kravchuk said. He pointed out that the Army's main goal was to maintain the country's ability to defend itself and maintain the inviolability of its borders.

The Ukrainian Defense Ministry press service told INTERFAX-Ukraine that the conference had been attended by the leaders of government, Defense Ministry and the military complex.

The conference touched on a wide range of issues embraced by the single goal to achieve a qualitative change in the management of the Ukrainian armed forces.

Kravchuk Against Unions Based on Ethnic, Religious Grounds

LD0706200294 Moscow INTERFAX in English 1403 GMT 7 Jun 94

[From the "Presidential Bulletin" feature No. 108 (598)]

[Text] President Leonid Kravchuk opposed the idea of forming unions based on ethnic or religious principles in the space of the former USSR. Addressing voters in Kharkov Region Monday evening, the Ukrainian president criticized the Belarusian Premier, Vyacheslav Kebich, for his call for forming a union between three Slav countries—Ukraine, Russia and Belarus.

In Kravchuk's view, the forming of such alliance will lead to the emergence of "Asian, Muslim and other unions, to mass migrations and to war."

In answer to voters' questions the president said that he had no right to sign the treaty on Ukraine's full membership in the economic union of CIS countries, since the parliament had not authorized him accordingly.

IF Note: At the CIS summit held in Moscow on 15 April Kravchuk signed a document on Ukraine's joining the treaty as an associated member. He sees no fundamental difference between being a full-fledged and an associated member, he told Interfax. "The status of associated member does not prevent us from taking an active part in the economic union," Kravchuk said. He referred to the circumstance that Ukraine's parliament ratified the founding documents with reservations. "The reservations are still in force, and I cannot ignore them when signing documents," Kravchuk pointed out.

As Kravchuk said, Ukraine's activity on the world scene must not be confined to interaction with the former Soviet republics. Next Tuesday in Laxembourg he will sign an agreement on partnership and cooperation with the European Union, the president told voters.

IF Note: So Ukraine will be the first CIS country to sign the agreement, which was initialled by its Foreign Minister, Anatoliy Zlenko, during his visit to Brussels last February. A number of European Union members link their ratification of the agreement to Ukraine's joining the Nuclear Nonproliferation Treaty. The Ukrainian leadership is against such linkage.

Kravchuk Comments on Agriculture, Free Trade Zone

LD0706202094 Kiev UNIAN in Ukrainian 1200 GMT 7 Jun 94

[Text] Kiev—The visit by President Leonid Kravchuk to Kharkov oblast ended on 6 June. There, together with Viktor Yushchenko, chairman of the board of Ukraine's National Bank, Yuriy Karasyk, Ukraine's minister of agriculture and food, Industry Minister Anatoliy Holubchenko, Mykhaylo Kovalko, chairman of the state oil and gas committee, and others, he familiarized himself with the work of the Zmiyev vegetable processing plant and held talks with the president's representatives in the oblast rayons, the chairmen of local councils, and managers of agricultural enterprises, and also a consultation with representatives of Ukraine's gas industry.

"The most topical problems needing immediate resolution are agrarian issues, issues of foodstuffs, and power, the president of Ukraine said. We should support everything that works to produce food." As far as the issue of trade with CIS countries is concerned, Ukraine, according to Leonid Kravchuk, was the first to propose a treaty on free trade between these countries. This treaty should envisage equal conditions for the participants of a free trade zone. The Ukrainian position differs from the position of the Russian side, which insists that oil, gas, gold (approximately 100 types of goods), be excluded from the free trade zone, that is so that the Russian consumer can buy these goods 2.5 times more cheaply than the Ukrainian consumer.

According to information from Viktor Yushchenko, chairman of the board of Ukraine's National Bank, it is now necessary to refuse as much as possible an emission solution for rural problems [as heard]. It is also necessary to introduce normal pricing and a nonemission financial and credit mechanism, to improve settlements and currency regulation, change quotas and licenses in agriculture, and also to set up support funds for the sector by attracting investments.

According to Yushchenko, current seasonal inflation is 10-12 percent compared to the 38 percent each month last year.

According to Yuriy Karasyk, Ukraine's minister of agriculture and food, 10 percent of our state's credit resources will in future go on agrarian projects, and a crediting mechanism will be elaborated at the expense of the state stabilization fund.

Leonid Kravchuk noted at the consultation with representatives of Ukraine's gas industry that a program is being prepared to develop Ukraine's own energy-carriers, which envisages the extraction of 25-30 billion cubic meters of gas per year. "We are capable of resolving these problems with our personnel and industrial level. All that remains is to find a source of finance and equipment, and to make scientific and technical plans. In future it may be about attracting foreign investments, especially when mastering the Black Sea Basin," the president of Ukraine said.

Kravchuk Addresses Farmers on Economic Union

LD0706134494 Moscow INTERFAX in English 1032 GMT 7 Jun 94

[Text] President Leonid Kravchuk will be ready to sign the agreement on economic union between the CIS countries the day after Ukraine's parliament adopts its stipulations to the agreement. Addressing the leaders of collective and state farms of Kharkov Region on Monday [6 June], Kravchuk said that he had no right to sign the agreement, since the parliament had not authorized him to do so.

At the same time the president criticized Minsk for its call for forming a "Slav Union" between Ukraine, Russia, and Belarus. The call was made by a candidate for presidential elections in Belarus, Prime Minister Vyacheslav Kebich.

According to Kravchuk, the forming of such a union would lead to the emergence of "Asian, Muslim, and other unions, to a mass migration of people, and to war."

Kravchuk referred by way of an example to Trans-Dniestria, which would inevitably join the proposed Slav Union, while Moldova would join Romania.

Agrotechnipark Starts Type of 'Free Economic Zone'

WS0806071694 Kiev UKRINFORM in English 0529 GMT 7 Jun 94

["Lvov Region's Agrotechnipark Starts Sort of Free Economic Zone in West Ukraine"—UKRINFORM headline; from the "Business News Weekly" feature, 30 May - 5 Jun 94]

[Text] According to the Post-Postup weekly, on 13 May a presentation ceremony took place at the Agrotechnipark [ATP]-Brody experimental territorial innovative center, which was sponsored by the Lvov Regional State Property Fund, Lvov-headquartered Konza R&D association, and the Center for R&D potential and historical researches under the Ukrainian Academy of Sciences.

The Agrotechnipark's immediate participants are the local Stir, Pravda, Progress agrofirms, dairy, canning and alcohol factories, a sewing factory and the Brody forestry. The ATP's headquarters on the territory of a missile base, which was dismantled in 1993, is owned by Konza.

On 25 March, 1994, President Leonid Kravchuk issued an instruction involving "a technical-economic experiment" in Brody, which served as a legal foundation for setting up the ATP.

The ATP project, which extends to the year 2032, encompasses a series of economic subprojects, [word indistinct]:

- A serving station for maintenance, repair and upgrading of agricultural equipment and machinery. The project involves Germany's Hagema, which will supply and service equipment and machinery against credits it has been granted. Hagema will be entitled to the ATP-Brody's stocks when the latter is converted into a joint-stock society;
- The Brody canning factory's reconstruction (the project is estimated at $8 million);
- Optimized forestry in zones of intensive agriculture;
- Upgrading of the Brody sewing factory (recently, imported equipment worth about $600,000 has been mounted at the factory, which has business ties with firms in Germany and Finland);
- Application of food irradiation technologies ($2,631,000).

In June the ATP-Brody expects to receive technical aid from the US Public Association of agrobusinesses. Similar aid is due to come from Canada's Association of agrobusinesses in the fall.

According to Yevgeni Pushchik, the Brody district presidential emissary, the European Bank for Reconstruction and Development is contemplating to invest about $50 million in the ATP-Brody project in 1995.

In the meantime, the Joint-Stock Society for the Agrotechnipark-Brody project is reported to have been established in Philadelphia, Pa. with a view of searching for partners and setting up the ATP- Brody's affiliates.

Such affiliates are envisaged for setting up in Germany, Hungary, Russia, China, Slovakia, and Czechia. In particular, Czechia's FDH and Slovakia's Milispol, whose representatives attended the presentation ceremony, are reported to have intimated their willingness to be involved in the ATP-Brody project.

A governmental decree is expected to be shortly issued, which will specify the ATP-Brody project's implementation terms and mechanisms to make the territorial innovative center functioning.

Legislature Passes Law Altering Foreign Investment Rules

WS0806071894 Kiev UKRINFORM in English 0529 GMT 7 Jun 94

[From the "Business News Weekly" feature, 30 May-5 Jun 94]

[Text] The Ukrainian Verkhovna Rada (parliament) passed a law, which amended the Cabinet's decree on foreign investment procedures. The law changed Articles 3 and 4, which had provided for foreign investors' right to effect investment in Ukraine in the form of any movable or immovable property including land (Article 3), and their right to all types of investments, which involve six forms including the form of acquisition, not directly prohibited by Ukraine's legislation, of any movables and immovables including land plots (Article 4). The new law nullifies investors' right to land.

Besides, Article 42 on proprietorial rights to land and other natural resources now specifies that "obtaining by foreign investors of proprietorial rights to natural resources is regulated by Ukraine's legislation." The Cabinet's decree provided for more specific regulation of such rights, in particular, by the Land Code of Ukraine.

The Cabinet's decree was approved on 20 May 1993 (No. 55-93) and was based on the laws on foreign economic activities and on investment activities in Ukraine.

The law on making amendments to the Cabinet's decree on foreign investment procedures was signed by President Kravchuk on 2 February 1994. However, its text became available to the media only on 4 June 1994.

New Government Commission To Examine Budget Deficit

LD0806093194 Kiev UNIAN in Ukrainian 0845 GMT 8 Jun 94

[Text] Kiev—As a UNIAN correspondent learned from confidential sources on 7 June, a special budgetary commission has been created in Ukraine's Cabinet of Ministers, which includes ministers and deputy ministers of the economy, statistics, and finance, and also the chairman of the board of the National Bank of Ukraine. Acting Prime Minister Yukhym Zvyahilskyy will confirm a draft of the commission's work.

The commission is to examine the deficit of the new budget until the end of the year (this budget is now being elaborated by the Ministry of Finance), discuss the possibility of reducing the expenditure part of the budget, and to submit proposals on reducing the budget deficit in accordance with IMF demands, which are also being adjusted.

As Viktor Yushchenko, the chairman of the National Bank of Ukraine said, as of today, the Ministry of Finance's debt to the state is 50 trillion karbovantsi and if the Ministry of Finance's debts are not confirmed in the new budget there could be an inflationary explosion in Ukraine.

Industry Minister Views Relations With Banks

WS0706144094 Kiev HOLOS UKRAYINY in Ukrainian 2 Jun 94 p 3

[Interview with Ukraine's Industry Minister Anatoliy Holubchenko by Lyudmyla Nikolaychuk; place and date not given: "Unless We Create an Industrial-Banking Union, the Banks Will Begin To Die Following the Industry"]

[Text] [Nikolaychuk] Anatoliy Kostyantynovych, what, in your opinion, must be the most urgent measures taken by the parliament?

[Holubchenko] Undoubtedly, the most important thing today is "to stir up production." A whole range of measures must be adopted, which would allow producers to work normally, would stimulate rather than choke them with taxes, and would defend them against the highhandedness of bureaucrats, corruption, and crime.

It is necessary to resolve the issue of working capital as well as the indexation of people's banking accounts. The issue of social protection of pensioners is also very acute, since, no matter how surprising it seems to be, pensioners and elderly people, who apparently have already done their job, are the most politically active sector of society, which, in particular, was confirmed by the elections. If normal living conditions were created for them, they would become less politicized, and their place would be filled by more reformist-minded people with the advanced views. People, who currently live as our elderly citizens do, cannot rest. What kind of rest can there be in poverty? To create conditions for a normal life of pensioners, which would allow us to conduct reforms, is also one of parliament's tasks.

Relations between bankers and industrialists are another very serious, and probably even a key problem. Industrialists are currently blaming bankers for all sins, and the latter are blaming industrialists. None of them, however, has ever sat at a negotiating table and discussed how to overcome the crisis. I believe that a union of bankers and industrialists holds the link, with the help of which one can pull out the whole chain. Bankers must understand that they will live better only if they are able to financially ensure normal work of industry. Industrialists will then see bankers as not their enemies and oppressors, but as friends and fellow champions. Clearing of payments will then not take three months, and banks will not use this money for credits, but they will want to quickly deliver payments to customers. One must help these two groups reach an understanding, and I believe that the parliament, the National Bank, the Cabinet of Ministers, and perhaps new nonstate industrial-banking unions can play a certain role in this.

[Nikolaychuk] As far as I know, you have been one of the first people in Ukraine to suggest that the main reason behind the crisis is the conflict between industrialists and bankers, and that their union will be beneficial for the state. You have built a whole concept around this issue. What is the main point?

[Holubchenko] Banks' profits have currently exceeded those of industrial enterprises by three or four times. Additionally, enterprises are being stopped and closed. But where are the banks' profits? Where have they been directed, where are they working, and where have they been invested?

Currently, our large industrial enterprises do not trust small commercial banks—they go only to large ones. But when they need credits they ask small commercial banks, because they cannot obtain them from large ones.... Banks must also understand that when a customer comes to them and deposits money or collateral, they must make all possible efforts to deliver the money to the addressee within two or three days. A customer who has money in an account must have the confidence that, no matter what happens, when he orders a bank to transfer money, it will be done. A bank must work in a way to ensure that it always have these funds, and that a customer can receive a credit on working capital whenever he wants. This is what industrialists currently need. This is not someone's whim, but a current demand. A bank must also be interested in investing money in industry.

Of course, a bank must have the confidence that a customer will not leave it, that he will pay the interest rate for a credit received in time (since credit resources are essential), and that it will receive a part of profits for investing its capital in enterprises. This is an entire system that should have the form of an agreement between a bank and an industrialist.

For over a year and a half in my work in government, every day I have been hearing from industrialists how bad bankers are, and from bankers—about bad industrialists. This is not normal. Yet, they all do the same thing. I believe that when bankers understand that their prosperity depends on industry's wellbeing, things will be put in order in our country.

[Nikolaychuk] Yet, one can also understand bankers: Given the current level of inflation, long-term credits are unprofitable, and profits are produced only by short-term credits, which, at best, can be used for purchasing ready-made goods for resale, not for developing, or all the more, for launching new production.

[Holubchenko] The point is that banks must give up huge profits. They must live very modestly, in order to not let industry die, and to help it overcome the crisis. If industry stops, banks will have no place to obtain money, and nobody will support them. Banks will begin to die following industry, whether we want this or not. Our government must be wise enough to conciliate the two forces and to convince them to work for each other. It must create conditions for friendly work of these two groups, so the search for guilty stops, and productive work begins. This, of course, requires an appropriate training of cadres, qualifications, skills, and talent. At least, I would like to see such a new government—not a fiscal one, but creating normal relations and conditions for harmonious work.

[Nikolaychuk] Based on your theory, however, the government will have to force banks to accept small profits, even if this method of "carrot and stick" comprises much more of the second component....

[Holubchenko] One must not force them! I am convinced that if bankers sit at "a round table" with industrialists and become aware of the state of affairs in

industry, one will not have to force them—they themselves will agree to establish such a union.

[Nikolaychuk] Who, in your opinion, can play the leading role on both sides?

[Holubchenko] These can be, for example, the Association of Commercial Banks and the Ukrainian Union of Entrepreneurs and Industrialists, led, of course, by the government.

[Nikolaychuk] Provided that your theory is implemented, when can we expect positive results?

[Holubchenko] The point is that we do not have time for long- term things and distant forecasts. Circumstances and the crisis are advancing so rapidly, that we have, perhaps, a few months to resolve such essential issues as, first of all, the problem of working capital and the payment crisis, which would allow the industry to rebound. By the way, a union of bankers and industrialists can become one of the primary measures aimed at overcoming the payment crisis. The payment crisis is a drag on the path to move forward—on political resolution to all kinds of relations in Ukraine, on friendship among all parties, on parliament's work, and the people's mood. It does not let us breathe, it does not let us work, and it does not let us look to the future. If one cannot see any perspective, one cannot move forward.

Statistics Ministry Data on Budget Implementation

WS0806070694 Kiev UKRINFORM in English 0529 GMT 7 Jun 94

[From the "Business News Weekly" feature, 30 May-5 Jun 94]

[Text] The Ministry of statistics published the following data about the consolidated budget's implementation:

		(b. krb)	
	March 1994	1st Quarter of 1994	April 1994
Total revenues	21,[illegible]2	56,170.4	33,058.6
Including			
Income (profit) tax imposed on enterprises, associations and organisations	5,497.5	13,511.7	12,108.3
VAT	4,999.7	12,959.7	7,200.8
Excise	550.9	1,586.1	918.1
Payments to the Fund for eliminating Chernobyl nuclear accident consequences	1,094.8	3,115.5	1,371.2
Income tax levied on population	1,643.5	4,233.9	2,119.3
Revenues from foreign economic activities	712.3	2,426.9	503.3
Payments to Pension Fund	3,651.0	11,576.3	5,157.7
Total expenditures	24,098.5	64,113.2	37,384.6
Including			
National economy financing	4,239.9	11,146.8	12,038.0
Social and cultural financing	7,441.7	23,761.5	12,239.0
Including			
population social protection	1,312.0	7,880.8	4,800.9
social and cultural expenditures	6,129.7	15,880.7	7,438.1
Outlays related to Chernobyl consequences' elimination	1,408.5	2,078.6	1,471.7
Defense spending	1,016.1	2,456.4	2,101.0
Outlays for foreign economic activities	522.7	2,297.5	2,177.3
Pension Fund expenditures	3,658.6	[illegible],979.2	5,061.9
Revenues in excess of expenditures	- 2,976.0	- 7,942.8	- 4,326.0
Ukrainian banks' credits	4,800.0	11,290.0	10,731.0

Labor Ministry Reports Unemployment Increases in 1994

WS0806071794 Kiev UKRINFORM in English 0529 GMT 7 Jun 94

[From the "Business News Weekly" feature, 30 May-5 Jun 94]

[Text] According to the Ukrainian Labor Ministry, Ukrainian employment centers registered 236,800 jobless persons in the first quarter of 1994. 123,400 of these were registered back in 1993.

However, hidden unemployment increased at industrial enterprises, particularly those under the Ministry of engineering, MIC [Military Industrial Complex] and conversion.

As tentative estimates by the Labor Ministry suggest, about 2,200,000 workers were on unpaid leaves in the first quarter, or 14.2 per cent of the total number of workforce. March's official unemployment rate was stated at 0.35 per cent.

However, as independent experts' data, which were made public at the International Conference on Economics in

Kiev in late May, suggest, Ukraine's hidden unemployment minimal rate is in excess of 7 million workers. Meanwhile, some 120,000 jobs remain vacant.

The State's employment bodies and local authorities are reported as intending to step up implementation of the national and territorial employment programs, which involve, in particular, creation of new jobs at enterprises of all proprietorial forms. However, no one can tell how many of these or how soon they will be created, except 279,100 jobs reserved for citizens certified as unable to compete on par with others on Ukraine's labor market.

Prospects for Domestic Oil, Gas Extraction Viewed

WS0806071394 Kiev UKRINFORM in English 0529 GMT 7 Jun 94

[From the "Business News Weekly" feature, 30 May-5 Jun 94]

[Text] Currently, domestic oil and gas are basically extracted in Ukraine's two large regions, one in East Ukraine (62 and 77 per cent of the total figures, respectively) and the other in West Ukraine (36 and 22 per cent), respectively, of Ukraine's total domestic oil and gas extraction).

As experts maintain, to comprehensively survey and prospect Ukraine's oil and gas promising regions (the Dnieper-Donetsk caldera, Transcarpathian arch, shelves of the Black Sea and the Sea of Azov), at least three to four seismic stations, three specialized stations with 10 vibration generators and other sophisticated equipment will be necessary to lay out the fields and pinpoint their deposits of carbohydrates. These will help to increase the discovery coefficient from its present 0.3 to 0.5 value, which means that five in every 10 surveyed structures must be carbohydrate-bearing.

As B. Gotski, superintendent of the agency for oil and gas resources of the State Committee for oil and gas, disclosed to UKRINFORM, the State Committee is considering application of comprehensive extraction technologies (including the cycling process) involving 10 newly developed fields and exploited fields in Ukraine.

Besides additional expenditures, this will require application of the so-called 3D seismic equipment, which is not available in Ukraine. Hard currency shortages do not allow the State Committee for oil and gas and State Committee for geology to finance purchases of such equipment units, though prices for them are not too exorbitant and range from 25 to 35 million dollars apiece. According to B. Gotski, the Volyn-Podol lowland region is virtually unprospected, though it may contain carbohydrate deposits, too.

Presently, about 127.8 million tons (or 83.5 per cent) of prospected liquid carbohydrate deposits are exploited, according to the State Committee for oil and gas. The remainder is either surveyed or has been conserved. About 87.8 million tons of liquid carbohydrate deposits (or 57 per cent of the total amount) belong to the category of hard to extract ones.

In accordance with the National Program for oil and gas extraction in Ukraine, which extends to the year 2010, primary emphasis will be placed on development and exploitation of the Black Sea and the Sea of Azov shelves, which have been surveyed by meager 3 per cent by now. So, domestic and foreign capital investments for survey, prospecting, offshore deep drilling will focus on precisely this promising shelf region.

Belarus

Bank Credit Resolution Received 'Without Enthusiasm'

WS0806095494 Minsk BELAPAN in Belarusian 1500 GMT 7 Jun 94

[Text] Deputy Finance Minister Mikalay Lisay held a meeting with representatives of Belarusian commercial banks. The participants in the meeting discussed the implementation of the Supreme Soviet Presidium resolution on allocating 400 billion rubles in credit to the government by commercial banks. There are reasons to believe that the above-mentioned resolution was met by commercial banks without enthusiasm. Some bankers fear that the allocated money can be used for holding an election campaign by one of the candidates. Representatives of several banks expressed their willingness to allocate credits, but the total sum is very small—less than 10 billion. It is expected that the rest of the banks will present their proposals regarding this issue on 8 June.

People Most Concerned Over Price Hikes

WS0806095994 Minsk Radio Minsk Network in Belarusian 0700 GMT 8 Jun 94

[Text] According to a poll conducted by Doctor of Sociological Sciences Kotlyarow, director of the Center for Political and Socioeconomic Analysis, 75 percent of Belarusian citizens consider price hikes the most important problem facing Belarus. More than half of society—54.3 percent—consider the crime rate the most important problem. As RID has learned, corruption within state authorities comes in third. It worries 38.8 percent of Belarusian citizens.

Moldova

Moscow Negotiations on 14th Army Withdrawal Resume

AU0706171894 Chisinau BASAPRESS in English 1945 GMT 6 Jun 94

[Text] Chisinau, BASAPRESS, 6/6/1994—The 9th round of Russian-Moldovan negotiations on the status and terms of 14th Army's withdrawal will begin tomorrow in Moscow. BASA learned from the Defense Ministry Press Secretariat that Nicolae Turtureanu, head of the military experts' group of the Moldovan delegation, will not take part in the negotiations due to an illness. According to some sources from the Defense Ministry, a new head of the military experts' group has not been appointed yet. Moldovan delegation is headed by Nicolae Osmochescu, prime vice minister of foreign affairs. A Dniester delegation is taking part in the negotiations. A representative of the Moldovan Government stated to BASA that Tiraspol representatives by no means can be regarded as a third side in the negotiations. "According to an agreement between the Moldovan and Russian delegations, Tiraspol was allowed only to be present at the negotiations without a right to make statements," said the quoted source.

Need To Keep Army Questioned

LD0706203694 Moscow INTERFAX in English 1512 GMT 7 Jun 94

[From the "Diplomatic Panorama" feature: By Correspondents Igor Porshnev, Vitaliy Trubetskoy and others]

[Text] If the process of settlement in Trans-Dniestria develops favorably, the need to keep Russia's 14th Army there will disappear, a member of the Russian delegation to the talks with Moldova told INTERFAX on Tuesday [7 June].

According to the diplomat, participants in the ninth round of talks between Russia and Moldova, which opened in Moscow on Tuesday, will focus on issues connected with the status of Russia's 14th Army and the time of its withdrawal.

The Russian delegation is led by the Ambassador at Large Vladimir Kitayev, and the Moldovan by the First Deputy Foreign Minister, Nicolae Osmokescu.

A document on the legal status of the 14th Army may be drafted during the present round of talks, the diplomat said. "If events in Trans-Dniestria develop favorably, only purely technical problems connected with troops withdrawal will remain to be resolved. It's true, though, that such a process may take a long time," he said.

During the previous round of talks, INTERFAX's interviewee said, the Russian side submitted a number of proposals aimed at fixing "technically possible times" for the Army's withdrawal. "We cannot take our servicemen to the open spaces. Three to four years are required to organize the withdrawal of personnel, military equipment, ammunition, etc. Properly. As far as we can judge, Kishinev agrees with this on the whole," he said.

The diplomat drew Interfax's attention to another "extremely important aspect." "On 15 May 1993 in Moscow President Boris Yeltsin and his Moldovan counterpart, Mircea Snegur, signed a joint communique on the need to synchronize the withdrawal of Russian troops from Moldova with the process of peaceful settlement in Trans-Dniestria," he said.

"Lately bilateral contacts on this issue became more productive. Besides, a dialogue between Kishinev and Tiraspol is gradually taking shape," he said. "It's indicative that the Moldovan leadership has postponed the implementation of the bill on official language, which served as a detonator of the conflict, and rejected the idea of joining Romania."

The diplomat drew attention to the circumstance that some Moldovan politicians began to speak in favor of

giving up the principle of synchronization. "It's quite possible that this issue will be raised at the present round of talks," he noted.

Under the communique of 15 May 1993 Moldova is not in a position to abandon the principle of synchronization unilaterally. "We believe that such an approach is premature to say the least," he concluded.

Chief of Dniester Forces Denies Writing to Grachev

AU0706180694 Chisinau BASAPRESS in English 1945 GMT 6 Jun 94

[Text] Tiraspol, BASAPRESS, 6/6/1994—Today, Tiraspol Radio made public the letter written by Colonel Bergman [chief of staff of Dniester forces] forwarded to the Russian Defense Minister Pavel Grachev. The letter was intercepted by the Tiraspol Security. It states that "Dniester faces a crisis situation affecting the economy, especially the industry, and the state administration. The shortage of cash made the revolted citizens take streets demanding the resignation of the corrupt government and Russian aliens who are to be blamed of people's impoverishment. A lot of employees of administrative and juridical organs are resigning. The 14th Army is not able to assure them with jobs. It can only morally support them. Firm measures taken by us would allow us with minimum effort to achieve the awaited settlement of the relations with Moldova. Regardless of all my reports on the situation, General Lebed [head of 14th Russian Army] refused my requests to take measures. Obviously, this is a underestimation of the situation." Bergman demands Lebed "the permission to take control over the situation in Dniester." Sources from the Security Committee say that "it is unlikely that the letter was written by Bergman, as its form and style do not correspond to the Chancellery norms of the Russian military units." However, the same sources say that the signature belongs to Colonel Bergman. Colonel Bergman denied that he wrote the letter. He called this provocation instigated by the Dniester Security Council. He pointed out that "such a letter could not be sent to the Russian Defense Minister by avoiding the 14th Army command."

Tiraspol Links Russian Withdrawal to Dniester Status

LD0706182394 Moscow INTERFAX in English 1356 GMT 7 Jun 94

[Text] In Moscow on Tuesday Russia and Moldova began the ninth round of their talks on determining the status of Russia's 14th Army and fixing the time for its withdrawal from Trans-Dniestria. The adviser to the president of the self-proclaimed Republic of Trans-Dniestria, Stepan Kitsak, is taking part in the talks as an observer.

Trans-Dniestria's Secretary of State, Valery Litskay, told Interfax's correspondent that the status of observer will not allow the adviser to Trans-Dniestria's president to interfere in the process of talks, but his stand remains unchanged—the 14th Army can be withdrawn from Trans-Dniestria only when the region's political status is determined.

The leaders of Trans-Dniestria believe that the decree issued by the president of the self-proclaimed republic, Igor Smirnov, to place the 14th Army under Trans-Dniestria's jurisdiction will not hinder the process of talks; it will only remind members of the official delegations that there is a third party.

"Solution to this problem will require a lot of time and many rounds of talks yet. The trouble is that Russia, Moldova and Trans-Dniestria are seeking to accomplish different strategic tasks. They must join their efforts in the main direction—determine Trans-Dniestria's political status—and only after that begin to speak about withdrawing the 14th Army in concrete terms. The talks on removing the Russian army from the area will remain just talk without taking a cardinal decision on the status of Trans-Dniestria," Litskay told INTERFAX's correspondent.

Diplomatic Relations Protocol Signed With Palestine

LD0706222994 Moscow ITAR-TASS World Service in Russian 1910 GMT 7 Jun 94

[Report by ITAR-TASS correspondent Nikolay Morozov]

[Text] Bucharest, 7 Jun—A protocol on the establishment of diplomatic relations between the Republic of Moldova and the State of Palestine was signed in the Moldavian Embassy in the Romanian capital today.

The document was signed by counsellor to the envoy, Moldovan charge d'affaires ad interim in Romania (Ion Kepetsyne) and by Palestine's ambassador extraordinary and plenipotentiary to Romania (Fuad al-Bittar).

Kazakhstan

Nazarbayev Proposes Formation of 'Eurasian Union'

LD0706154294 Moscow INTERFAX in English 1455 GMT 7 Jun 94

[From the "Presidential Bulletin" feature]

[Text] President Nursultan Nazarbayev has sent to the leaders of CIS countries a draft document on the formation of an Eurasian Union, a new integrating association of post-Soviet countries.

The plan INTERFAX has at its disposal implies that potential members of the union should sign a treaty forming the legal and organizational prerequisites "for deepening integration with the purpose of forming an economic, currency, and political union." According to the plan, associated membership in the union is not permitted. The termination of hostilities is one of the preliminary conditions for entering the union.

The preamble of the document says that the potential of the CIS has not been exhausted. The Commonwealth plays a positive role in offering a legal framework for relations between its member-countries. However, according to the Kazakh leader, the existing structure of CIS bodies does not allow to fully benefit from the potential of integration. Nazarbayev believes that economic integration prompts the need to develop political institutions having sufficient powers.

Among such supernational political structures of the future union Nazarbayev named the Eurasian parliament—the supreme consultative body formed of an equal number of MP's from member-countries or through direct elections. The main purpose of the parliament would be the coordination of laws of member-countries guaranteeing the development of a common economic space, social security and human rights. Under the plan the decisions of parliament would come into force after their ratification by member-countries of the union.

Nazarbayev also suggested forming a permanent executive committee. He feels that a ministry for the Eurasian Union should be set up in each country for better coordination and more effective joint activities.

The plan sent to CIS leaders also implies the formation of several supernational economic bodies such as the economic commission of the Council of the Heads of State that would work out the strategy of economic reforms, a commission for raw materials that would coordinate and approve prices and quotas of exported raw materials and fuel as well as gold and other precious metals. An international investment bank would be set up as well as a commission for a common unit for settlements. Nazarbayev also suggests setting up a commission for international financial and industrial groups and joint ventures and economic arbitration. The latter would settle disputed matters and impose fines.

In keeping with Nazarbayev's plan the Eurasian union would have a common defence space and coordinated defence activities. For the purpose a treaty on joint efforts to strengthen the armed forces of member-countries and on the protection of the common borders would be signed. A collective peace-keeping force would be formed and the UN Security Council would be asked to give the contingent an appropriate status. "All union members, except Russia, would keep their nuclear-free status," the document says.

Nazarbayev favors the formation of an environmental fund of member-nations. The plan also speaks of the need for an international treaty on dumping nuclear wastes. Among the long-term joint programs for restoring the environment Nazarbayev named the Aral sea, Chernobyl, and the Semipalatinsk nuclear test ground.

Under the plan, if a citizen of a union member-country chooses to move to another Eurasian country, he or she will automatically become citizen of the new country of residence.

It is suggested to make Russian the official language of the union and a city near the dividing line between Europe and Asia, for instance Kazan or Samara, the capital of the union.

IF [INTERFAX] Note: Nazarbayev came out with the idea of a Eurasian Union during his Moscow visit last March. CIS leaders have regarded the idea with reserve, except the Kyrgyz President Askar Akaev who welcomed it. It was not discussed at the latest CIS summit in April. In a recent statement for newsmen the press secretary of the Kazakh leader Nurlan Danenov said Nazarbayev's idea became the subject of an incorrect political debate which is allegedly aimed at driving a wedge between CIS leaders due to their different approaches to Nazarbayev's concept.

Analysts believe that Nazarbaev's plan will hardly become the subject of an official discussion of CIS leaders in the nearest future. Neither do they foresee great changes in the attitude of most Commonwealth leaders to the plan despite Nazarbayev's assurances that the union would be only an additional integration structure, not an alternative to the CIS.

Indian Foreign Minister Satisfied With Visit

LD0706204194 Moscow ITAR-TASS World Service in Russian 1229 GMT 7 Jun 94

[Report by ITAR-TASS correspondent Ivan Zakharchenko for KAZTAG]

[Text] Almaty, 7 June—"The main goal of my visit is to speed up the implementation of the accords between the

two states which were attained earlier," Salman Khurshid, India's minister of state for external affairs, said at a press conference here today after completing his visit to Kazakhstan.

"We have seen once again," the minister said, "that Kazakhstan leadership adheres to the strengthening of ties with India and the development of mutually beneficial cooperation of businessmen from both countries." He noted with satisfaction that a business council to coordinate joint activity had been set up. A solemn ceremony to inaugurate an Indian cultural center will be held in Almaty soon, and an Indian restaurant will open. By late June, regular Almaty- Delhi flights will start, something to boost bilateral relations even further.

"During the visit," Salman Khurshid stressed, "mutual understanding of the need to sign accords on avoiding double taxation of exported goods and providing firm guarantees for investments took shape." He expressed the confidence that Kazakhstan and India would actively cooperate in many international organizations to secure peace and stability on the Asian continent.

The Indian delegation left Almaty for Bishkek today.

Foreign Ministry Briefs Media on Relations With Russia

LD0706200894 Almaty Kazakh Radio Network in Kazakh 1400 GMT 7 Jun 94

[Text] Today a news conference was held at the Kazakhstani Foreign Ministry on the outcome of Foreign Minister Saudabayev's visit to Russia. Deputy Minister Konstantin Zhigalov told correspondents about the main problems of the visit, which took place on 2-3 June. The main aim of the visit was to monitor the implementation of agreements signed at a summit level during the first official visit by President Nazarbayev to Moscow, as well as to prepare Yeltsin's visit to Kazakhstan.

The foreign minister met Russia's First Vice Prime Minister Soskovets, State Duma Chairman Rybkin, Moscow Mayor Luzhkov, and Yakovlev, head of the federal service for teleevision and radio. Talks were held with the foreign minister of Russia. During these meetings, problems related to the economy, defense, and the Caspian Sea were discussed, taking into account social and legal norms. Particular attention was paid to the problem of citizenship. Kazakhstan's proposals on the problem met understanding and support from the Russian side.

It is worth noting that the stance of Kazakhstan on dual citizenship is unequivocally negative. In the context of further deepening the integration processes, Nazarbayev's ideas on a Eurasian union was discussed during the meetings. The Russian side gave a positive assessment of this concept. However, not everybody had a detailed knowledge of the document. Today its draft was published in the republican press.

Great attention was paid to international problems, in particular participation of the two states in the NATO Partnership for Peace program. As is known, Kazakhstan has signed this document. The situation in hotbeds of war was discussed. By the way, in the draft of the Eurasian Union, in state where civil war is occurring, they will not be accepted as members of the union.

Deputy Foreign Minister Zhigalov answered questions and said that the correspondents could acquaint themselves in full detail with the documents signed during the visit.

'Experts' Doubt Parliament's Reform Abilities

LD0706132194 Moscow ITAR-TASS in English 1224 GMT 7 Jun 94

[Report by ITAR-TASS correspondent Vladimir Akimov]

[Text] Almaty 7 June TASS—An overwhelming majority of experts do not believe in the reforming ability of the Kazakh Parliament and many do not rule it out that it will be dissolved soon, according to an opinion poll taken by the Almaty Centre for Humanitarian Studies among Kazakh political scientists, leaders of public movements and political parties, ranking civil servants and prominent journalists.

The findings of the poll, published on Tuesday [7 June], indicate that 61.8 percent of respondents believe that the Kazakhstan parliament in its present composition will not be able to act as a catalyst of reforms in society, 44.1 percent of experts maintain that the deputies corps has a low level of political culture, and 41.2 percent explain their attitude by the parliamentarians' estrangement from the electorate due to various kinds of irregularities during the parliamentary elections and the imperfection of the electoral system.

The opinion of 61.8 percent of experts is that the election campaign was of an utterly undemocratic nature, and 44.1 percent of respondents do not rule out the probability that the Kazakh Parliament will be dissolved soon.

Government, Industrialists Discuss Anti-Crisis Program

LD0706175594 Almaty Kazakh Radio Network in Kazakh 1400 GMT 7 Jun 94

[Text] Today, the Kazakh cabinet of ministers held a joint session with the union of entrepreneurs and industrialists to discuss updating and correcting the government's anticrisis economic program. First Deputy Prime Minister Akezhan Kazhegeldin gave a report on the issue. A new mechanism for management of the economy based on making the [word indistinct] system healthier and improving mass privatization and investment policy was welcomed by the participants. They commented on the report sharing their views on ways to boost reform and make half-way proposals. They

focussed on what is impeding the speed of the reforms. The result of an open and interesting discussion on possible ways to bring the economy out of the crisis was summed up by Prime Mininster Tereshchenko. He said that all valuable advice expressed by the participants would be taken into account during the further elaboration of the anti-crisis program. The head of the government answered numerous questions. President Nazarbayev participated in the work of the session.

Successful 3d Investment Privatization Auction Held

LD0806091794 Almaty Kazakh Radio Network in Russian 0800 GMT 8 Jun 94

[Summary] The third investment privatization auction was held by the Kazakh State Property Committee on 7 June. Forty-eight enterprises were to be privatized. Representatives of 113 investment privatization funds participated in the auction. The minimum rate of stocks was 10 tenge for two coupons at the start of the auction, and by its end the rate increased by a factor of 3.5 and equaled 6.84 coupons. About 80 funds managed to buy at least one share. Eighty-four percent of stocks were sold as a result of the auction; 33 enterprises were completely sold out; one enterprise was not popular at all and nobody claimed its stocks. The organizers think this auction has been the largest and most successful.

Kyrgyzstan

Akayev Holds News Conference on European Visit

LD0706124094 Bishkek Kyrgyz Radio First Program Network in Kyrgyz 2300 GMT 6 Jun 94

[Text] President Akayev gave a news conference yesterday devoted to the results of his visits to Belgium and France. Speaking about his visit to Brussels, Akayev said that Kyrgyzstan is the 20th state overall and the third Central Asian republic to join the Partnership for Peace program. He confirmed Kyrgyzstan's adherence to freedom and democracy. Other aspects of the visit were also highlighted.

Akayev went into detail concerning his visit to France, stressing the importance for the republic of the concluded agreements. Other members of the delegation also answered journalists's questions.

Indian Minister Arrives on Visit To Broaden Ties

LD0806092394 Moscow ITAR-TASS in English 0901 GMT 8 Jun 94

[Report by ITAR-TASS correspondent Boris Mainayev]

[Text] Bishkek 8 June TASS—Indian Minister of State for External Affairs Salman Khurshid's visit to Kirghizia [Kyrgyzstan] is aimed at broadening bilateral relations between India and Kirghizia. The minister arrived in Bishkek on Tuesday [7 June], and today is the first day of his working visit.

Salman Khurshid is scheduled to meet Kirghiz President Askar Akayev, Prime Minister Abbas Dzhumagulov, members of the government and social and political workers. The Indian minister is accompanied by a group of Indian businessmen, who intend to sign a number of important agreements in Bishkek for the development of trade and economic relations between the two countries.

The visit will last until 10 June.

World Bank To Extend $1.5 Billion Loan

LD0706200694 Moscow INTERFAX in English 1403 GMT 7 Jun 94

[From the "Presidential Bulletin" feature]

[Text] The World Bank is to extend Kyrgyzstan a loan of $1.5 billion for implementing a three-year program for economic restructuring. In 1994-95 it will also receive $550 million to cover the balance of payment deficit and back up social programs.

The agreement on the loan was signed during the consultative conference of the World Bank and Kyrgyz representatives in Paris on 2 and 3 June, Kyrgyz President Askar Akayev told a press conference in Bishkek.

The program for economic restructuring envisages measures to lower the inflation rate to 3 percent (it stood at 7.5 percent last May) and to 2.5 percent by the middle of 1995. By the end of 1997, the annual rate of inflation is to stand at 4 percent.

Akayev said that, to date, Europe did not offer any significant assistance either to Kyrgyzstan or to Central Asia.

The U.S. and Japan are playing the biggest role in promoting the economic reform in Kyrgyzstan.

Akayev said he was disappointed with the results of cooperation with the European Commission and said that the credits extended last year were "the plunder of the poor." To quote the president, in Brussels he expressed disappointment with the program for technical assistance, proposed by the European Commission.

He said that this program was absolutely useless, because it benefitted only the European Commission's bureaucrats, so Kyrgyzstan no longer needed proposed consultations.

Ambassador Comments on Ties With Russia

PM0806102794 Moscow ROSSIYSKIYE VESTI in Russian 8 Jun 94 p 3

[Interview with Akmatbek Nanayev, Kirghiz ambassador extraordinary and plenipotentiary to Russia, by

Pavel Shinkarenko; place and date not given: "Treaty With Russia Opens New Chapter in Kirghiz History"]

[Text] [Shinkarenko] Over the last few years Kyrgyzstan has concluded dozens of interstate agreements. Nevertheless, people in your country celebrate 10 June—the date that the Treaty on Friendship and Cooperation With Russia was signed in 1992—as an event of national importance. What is the reason for that?

[Nanayev] Let us recall the events of the time. Kyrgyzstan had just proclaimed its independence. The wholesale process of its diplomatic recognition may be said to have begun. These were worrying times. But our country was only really conscious of its independence after Askar Akayev and Boris Yeltsin signed the Treaty on Friendship and Cooperation Between the Kyrgyz Republic and Russia. This event was the point of departure from which the current history of our state began. The treaty with Russia is the foundation of cooperation between our countries based on equality, respect, and support for our peoples.

[Shinkarenko] The foundation of cooperation.... Construction schedule overruns and unfinished construction are associated with this word. What a lot of that we can remember! But what has it really proved possible to accomplish on this "foundation?"

[Nanayev] I can say with confidence that the first stories have already been built. Needless to say, the greatest progress has been made in the political sphere. Our presidents have really displayed political will here. Thanks to this the Treaty on Friendship has been supplemented by dozens of other agreements and protocols, strengthening the international-legal base of our bilateral ties.

We fully understand the ways of further developing Kyrgyz-Russian relations, strengthening cooperation within the CIS framework, and coordinating actions on the international arena. Cooperation between our foreign ministries, in the military-political sphere, and in peacemaking operations has been comprehensively developed....

[Shinkarenko] The special relations of trust between Boris Yeltsin and Askar Akayev are well known. However, there are plenty of problems on which they do not have time to work.

[Nanayev] You're right. It would be unjustified to depict all aspects of our relations solely in a rosy light. In the political sphere a great deal is determined by the leaders of the states. Cooperation in other spheres is strongly influenced by many factors. This applies particularly to trade and economic relations. Production is continuing to decline in both countries. The fall in the standard of living of the bulk of the population has not yet been halted. Many major enterprises that were created to meet all-Union needs, particularly in the military-industrial complex, have been left without orders. And this means tens of thousands of workers and specialists have lost their livelihood. We cannot resolve this problem without Russia's aid.

In Moscow and Bishkek there is shared understanding of the difficulties that have arisen. For instance, an accord has been secured on Russia providing credit and on the creation of an investment fund and joint production units, including some based on defense enterprises capable of producing output that Russia also needs. However, the accords are slow to be implemented.

But there have been improvements here, too. Both in Kyrgyzstan and in Russia it has proved possible to bring down inflation considerably. The national currency is being strengthened.... Thus light can already be seen at the end of the tunnel.

[Shinkarenko] Many people in Russia are talking about the difficulties that have beset Russian-speaking residents of the former Soviet republics and about a Russian exodus. How are things in Kyrgyzstan?

[Nanayev] Following the breakup of the USSR the fate of their compatriots became a pressing matter for virtually all the former Soviet republics. Like homing pigeons many people reached out for their historic roots and origins— and that is quite natural. The instinct of self-preservation is always the first to come into play in critical situations, but there is also a countermovement. Raisa Fedorovna Kazanina, who now lives in Volgograd, wrote recently to a Bishkek newspaper that she is homesick for Kirghizia [Kyrgyzstan], which she considers her second home. She wrote that only illness prevents her from returning home.

Our president is fully determined to support this endeavor on the part of the country's Russian-speaking citizens and create favorable living and working conditions for them, and thus halt migration. The Republic has formulated a concrete action program. It has been discussed with the Russian president and is bolstered by corresponding measures on both sides.

But people have spiritual as well as material needs. In particular, a great deal has been done to ensure that the Russian language continues to operate in the Republic as before and the interests of the Russian-speaking population are not infringed upon. In 1993 a Slav University where teaching is conducted in Russian opened in Bishkek. Funding of the university's activity is shared by Kyrgyzstan and Russia.

There are, of course, many farfetched fears and prejudices in the sphere of interethnic relations, and the Republic's leadership is doing everything it can to dispel them. For instance, a reasonable approach has been found with Russia to the so-called dual citizenship problem. I think that this solution will prove quite acceptable to all the Republic's inhabitants.

[Shinkarenko] Are there any other events or things that you would like to point out on the eve of the treaty's second anniversary?

[Nanayev] First, President Askar Akayev's official visit to Moscow in February, his meeting with President Boris Yeltsin. During this summit they discussed the most topical problems in our contacts, including the sphere of credit and financial relations, the prospects for the creation of joint ventures, the position of Russian-speaking residents, ways of strengthening the CIS, and promoting a settlement in Tajikistan.

I cannot help but underline the following. During the difficult days this spring a number of regions of the Republic were beset by gigantic landslides (mountain torrents). Dozens of people died and the country sustained tremendous material damage. The Russians, the relevant services of the Russian Federation Ministry for Affairs of Civil Defense, Emergency Situations, and Elimination of Natural Disasters were the first to respond to the disaster. Vladimir Shumeyko, chairman of Russia's Federation Council, visited the scene of the disaster.

Lastly, here is another interesting point. We are currently preparing for a major event—the Chuy Valley Days in Moscow Oblast. This festival is in return for a visit that we were paid by a delegation from Moscow Oblast. This event, as it may appear, is of by no means local significance and does not date from the time of stagnation. Familiarization with our friends' affairs shows that in the new conditions, our people still have a tremendous need for contacts with one another and have similar interests and aspirations. The Chuy Valley Workers' Cultural Days coincide with the second anniversary of the Treaty of Friendship and in this respect are particularly symbolic.

[Shinkarenko] Good news and positive emotions are always beneficial. But what particularly alarms you today, Mr. Ambassador?

[Nanayev] By the strictest criteria, apart from the difficulties that I have already mentioned, I do not foresee any difficulties in either the short or the long term. On the contrary, there is reason to think that our relations will continue growing and bear increasingly rich fruit. But one must not forget that these are relations between real partners linked by thousands of strands. And, as you know, there have always been, are, and regrettably will remain problems in our affairs that we must work on, especially now, when our countries are in the throes of a profound economic crisis. But unraveling these "knots" is a matter for the political leadership and for us diplomats.

Tajikistan

Russian Border Guards Prevent Illegal Crossings

LD0806093794 Moscow ITAR-TASS in English 0925 GMT 8 Jun 94

[Report by ITAR-TASS correspondent Galina Gridneva]

[Text] Dushanbe 8 June TASS—Russian border troops suppressed at least four attempts at illegal crossing of the border between Tajikistan and Afghanistan on Tuesday [7 June] night.

Artillery fire was opened to stop a group of transgressors at a stretch guarded by the Pyanj unit, and more fire had to be used to stop the violation of the border near Sarigora and Shuroabad where the Moscow border guard unit is in charge.

Up to thirty Tajik armed opposition members were repelled when trying to cross the border from Afghanistan into Tajikistan in the Pamirs mountains.

None of the Russian border troops was injured.

More Than 1,200 Refugees Expected To Return 8 Jun

LD0706164594 Dushanbe Radio Tajikistan Network in Tajik 1200 GMT 7 Jun 94

[Text] A new checkpoint was established in the Maksim Gorkiy settlement of collective farms named after 1 May—Pyandzhskiy Rayon.

Our compatriots can return to their permanent places of residence from the Konduz Province of the Islamic State of Afghanistan via this checkpoint. This is the fourth checkpoint though which our compatriots can return to Tajikistan. Ismat Davlatov, deputy Minister of Labor and Employment, told us that it was expected that our compatriots will return tomorrow via the Hayraton-Termez- Shaartuz highway. It is expected that more than 1,200 inhabitants of our republic, who are living temporarily in the Islamic State of Afghanistan, will return home by train.

Delegation Returns From Talks in Turkey

LD0706134694 Dushanbe Radio Tajikistan Network in Tajik 1200 GMT 7 Jun 94

[Excerpt] We are satisfied with our working visit to Turkey. The visit was fruitful and promotes beneficial economic cooperation between the two states. This was said by Rahimjon Ghafurov, first deputy chairman of the Council of Ministers of the Republic of Tajikistan, to a correspondent of the KHOVAR news agency.

Rahimjon Ghafurov was at the head of the country's delegation that recently visited Turkey. Foreign Economic Relations Minister Izatullo Hayoyev, Finance

Minister Normat Yunusov; Sobit Nematulloyev, president of the republican Academy of Sciences; Izatullo Lalbekov, head of the Foreign Economic Bank, and others were among the members of the delegation.

The Tajik delegation was received by Suleyman Demirel, president of the Republic of Turkey. A useful, constructive conversation took place on issues related to further developing economic relations and to Turkey rendering technical assistance to Tajikistan. [passage omitted]

No Monetary Merger With Russia Possible Until Late 1994

LD0806090494 Moscow ITAR-TASS in English 0827 GMT 8 Jun 94

[Report by ITAR-TASS correspondent Galina Gridneva]

[Text] Dushanbe 8 June TASS—"Full merger of the Russian and Tajik monetary systems can be achieved no sooner than by the end of this year," said Tajik Economics and Planning Minister, Rustam Mirzoyev, in an interview with ITAR-TASS. Mirzoyev pointed out that not only a political decision to this effect was adopted by the heads of the two countries, but a package of documents, concerning the second stage of the merger, was worked out and submitted to Russian colleagues.

The minister pointed out that there are no serious opponents to the unification of the two monetary systems either in Russia, or in Tajikistan. The process of the monetary merger is very complex both technically and organizationally, he said. At the same time, Tajik manufacturers should work hard to step up the process. It is necessary to earn Russian roubles ourselves by increasing supplies of industrial products and raw materials, i.e. to give priority in exports policy to Russia, the Tajik minister said.

According to Mirzoyev, Tajikistan faces severe cash shortages and the government is 170 billion roubles in debt to the population. The remaining 25 billion roubles expected to arrive from Russia as part of the 120-billion credit to Tajikistan will not be enough even to pay pensions and social allowances, he said.

Asked by ITAR-TASS if Tajikistan intends to introduce temporary money for internal payments, the minister declined to answer, saying that such problems are in the competence of the Tajik parliament.

Armenia

Kazimirov Ends Visit on 'Russian Peace Project'

NC0706144094 Yerevan ARAGIL ELECTRONIC NEWS BULLETIN in English 0706 GMT 7 Jun 94

[Text] Yerevan ("LRAGIR", "AZG" Dailies, Past), 06/07/94—Special Envoy of the Russian President Vladimir Kazimirov has visited Baku, Yerevan and Stepanakert, negotiating with the sides regarding the new Russian peace project. He reported to a "TURAN" correspondent, they are trying to find formulations and topics based on mutual concessions.

According to Kazimirov, maximalist aspirations of both sides are not supportive to the progress, since the other side would clearly not accept them. "Unfortunately, the sides are not used to trade yet, but are fixed on their demands", said Russian President's Envoy.

Kazimirov noted the haste of the Azeri side, which is not supportive for successful solutions. "In order to start withdrawal of troops from the occupied territories, we should not waste days and weeks but we should reach a Great political agreement", noted Kazimirov. He also referred to stationing peace-making forces and said they would be something inbetween peace-making troops and observers. "This forces wouldn't have disengagement functions", he noted, "these are observers with corresponding control and security bodies." According to Kazimirov, their structure is not defined yet, but financing will be shared equally by the three sides.

Kazimirov said that the Azeri side made a proposal on liberating Shushi and Lachin, but this problems should be discussed only in two weeks after the current agreement is signed.

Russian President's Special Envoy criticized Karabakh's demand of "status against territories", saying this is an attempt of resolving the problem by force.

Having finished the negotiations in Baku, Kazimirov arrived to Yerevan late in the evening on June 4, and met his Armenian counterpart Davit Shakhnazaryan. The sides have been negotiating on several topics of the Russian project on peaceful resolution of the Karabakh problem.

RA [Republic of Armenia] President Levon Ter-Petrosyan met Kazimirov on June 5. On the same day Russian President's Envoy left for Stepanakert.

Kazimirov met Chairman of the RMK [Republic of Mountainous Karabakh] State Department of Defense Robert Kocharyan and the RMK Foreign Minister Arkadiy Gukasyan. The sides discussed problems relating to peaceful resolution of the Karabakh conflict and the recent Russian project. The RMK leaders expressed their worries about the non-constructive stance of Azerbaijan, which rejects the peace projects one after another. Kazimirov left Stepanakert on June 6.

Defense Official Reportedly Requests Dismissal

NC0706144894 Yerevan ARAGIL ELECTRONIC NEWS BULLETIN in English 0706 GMT 7 Jun 94

[Text] Yerevan ("GOLOS ARMENII" Daily), 06/07/94—RA [Republic of Armenia] President Levon Ter-Petrosyan ordered to dismiss first Deputy Minister of Defense, Chairman of Armenian Army Headquarters General-Lieutenant Hrach Andreasyan from the position, based on his personal request, presidential press service reports.

Azerbaijan

Aliyev on Contacts With Western Oil Companies

NC0706203594 Baku Azerbaycan Radio Televiziyasi Television Network in Azeri 1640 GMT 7 Jun 94

[Report by Gulsafa Ahmedova from a meeting between President Geydar Aliyev and UK Ambassador to Azerbaijan Thomas Young in Baku on 7 Jun—recorded]

[Excerpts] [Ahmedova] Republic President Geydar Aliyev today received UK Ambassador to Azerbaijan Thomas Young at the latter's request. During the meeting, the ambassador presented to Geydar Aliyev a number of photographs that reminded the president of his contacts in London.

In reminding him that the birthday of Queen Elizabeth II has coincided with such a pleasant occasion, the Azerbaijani president conveyed his sincere wishes to the UK people.

[Aliyev] Today is the birthday of your queen. I have sent a letter of congratulations to the queen of Great Britain. Our meeting fell on this day. You had requested a meeting some days ago. Unfortunately, I had no opportunity, and maybe it was good that the meeting took place on the queen's birthday. I congratulate you; please convey my congratulations to the esteemed queen, and wish happiness and peace to your country and people.

[Young, in English with interpreter providing Azeri translation] I have received your letter of congratulations. We have sent it to the queen. I know that she will be most grateful for your good wishes. It is an indication of, I think, of the closeness between Azerbaijan and the UK that your own national day, the 28th of May, is separated by a small period of 10 days from our own national day. I think we should work in future to bring the dates even closer together. If I may say, Mr. President, I was most grateful for the welcome and hospitality you gave to [UK Minister of Energy] Mr. Tim Eggar when he was here two weeks ago. He was very grateful to be accommodated in your best house and to be entertained by you personally for dinner. He benefited particularly from his discussions with you on Nagorno-Karabakh and on the oil question. The oil and gas exhibition showed that there are many areas where the UK and Azerbaijan can cooperate. [passage omitted]

You asked Mr. Eggar about discussions between Mr. [Douglas] Hurd and Mr. Kozyrev in Russia. They met in both Murmansk and in Moscow two weeks ago. Mr. Hurd urged Mr. Kozyrev to integrate the Russian peace plan into that of the CSCE. He said that the UK Government did not want a separate Russian force outside CSCE control. He asked Mr. Kozyrev to make the Russians work with [Minsk Group chairman] Eliasson, with Mr. Eliasson, and to stop the confusion. The UK Government will continue to press for CSCE leadership of the peace effort. I am sure that other CSCE members, as well as ourselves, are keeping up pressure for CSCE political leadership of this effort. On the practical side, Britain is committed to provide a signals unit for the CSCE force. And we shall provide other army and diplomatic representatives in support of Mr. Eliasson. To enable us and the UK Government to work with the latest information, I wonder if you can tell me what has been happening in Baku in the last few days on this question.

[Aliyev] I again thank you for the photographs you gave me. They reminded me of my contacts in London and particularly my sincere and businesslike talks with your country's prime minister, Mr. John Major. I once more indicate that I was pleased with those talks. One of the photographs depicts the exchange of numerous agreements between Mr. Major and myself. The Azerbaijani society and people warmly welcomed the signing of these agreements. However, the task of our two countries now is to implement these agreements.

Our meetings with Mr. Eggar here were also very fruitful and beneficial. This [oil] exhibition organized with your country's private oil company BP was a major event in Azerbaijan's life. I think that this exhibition will help develop ties between Azerbaijan and the Western oil companies and with firms active in other industrial sectors, specifically with UK firms. Therefore, I reiterate my favorable opinion of this exhibition and I ask that you inform Mr. Eggar that I was very pleased with our meeting.

The information you gave me about the meeting between Mr. Hurd and Kozyrev in Murmansk is of great interest to me. The principled stance of the UK on this important problem will greatly help in its solution. The continued support to be given on this issue by the UK to the Minsk Group, and to Jan Eliasson personally, I hope will, as you already indicated, help stop the war between Azerbaijan and Armenia and peacefully settle the Karabakh problem. Therefore, send my regards to Mr. Douglas Hurd. I now recall my very substantive and fruitful meetings with him in London. I would like you inform him that I would hope that he continues with his efforts to further develop the ties between Azerbaijan and the UK on the basis of our London talks and particularly to extricate Azerbaijan from its present war condition. I believe that after my visit to your country, to London, ties between Azerbaijan and the UK are developing quite fast. I invited Mr. Major and Mr. Douglas Hurd to Azerbaijan. I hope with your effort these invitations will materialize. Cooperation on oil between Azerbaijan and the UK has a great future. As you already noted, there is also favorable opportunities for cooperation in other fields, with other firms such as (?Kaizerin) Engineering Company, (?GBP) in the communications sector, and in aluminum production.

I want to inform you again that I will personally take the necessary measures to develop these economic ties.

I also want to say a few words on the continuing talks on cooperation in the oil sector between the Western firms and Azerbaijan. A regular meeting between the representatives of the Azerbaijani state oil company and representatives of the Western oil companies opened in Istanbul today. I received the representatives of our oil firm two days before their departure to Istanbul. We held a detailed discussion. They informed me in detail on issues they were going to raise during the upcoming talks and received the necessary instructions from me. I hope that the talks that opened in Istanbul today will yield very positive results.

In this connection, I want to draw your attention to a problem. Of late, the Western companies felt a certain uneasiness in connection with an insignificant incident. You are aware that the Russian Foreign Ministry submitted a brief note to the UK Embassy in Moscow in connection with our cooperation in the oil sector. Purportedly, this note calls for caution on this subject because the status of the Caspian Sea has not yet been established. However, what I told the reception of the heads of the Western firms during the exhibition is that no attention should be given to such insignificant information. The Azerbaijani oil men have been extracting oil from the Caspian basin since 1949. The discovery and exploitation of the oil fields in the Caspian sea has a great history, and all this is linked to the Azerbaijani oil men and scientists. Therefore, no one, no force, no country can deprive us, the Azerbaijani Republic and people, from this right. Secondly, so far no question of the status of the Caspian sea has been raised. There was no such issue on the agenda. If any state has a say on the oil extraction by anyone, in this case oil extraction by Azerbaijan, in a certain sector of the Caspian, then that state should make its views known to Azerbaijan. If the Russian state and government has a say or objection on this issue, then it should contact Azerbaijan, they have nothing to do with the UK. This shows that if there was a really serious matter, a letter or note would have been sent to Azerbaijan. No such note or letter has come to Azerbaijan. In addition, I can say that Russia's Lukoil firm is participating in our consortium. We consented to its participation. That is, we included it in the consortium because it concluded an agreement with us. The essence of this is that the oil fields in these sectors belong to Azerbaijan, and Azerbaijan has sovereignty over them.

Despite all this, seeing that certain firms are somewhat uneasy, I held a telephone conversation with Russian Prime Minister Viktor Chernomyrdin on 31 May. I

informed him that the Russian Foreign Ministry—actually I have seen that note and it had no signature—has taken such an action. Russian Prime Minister Viktor Chernomyrdin informed me that he had no knowledge about this affair and that the Russian Government had no such problem, that the status of the Caspian is on the agenda of neither Russia nor other countries. He informed me that Azerbaijan's oil fields in the Caspian basin are known to Russia, and we know that Azerbaijan is exploiting its own oil fields and is holding talks with the Western firms for their future exploitation. Therefore, he told me that Russia had no problem on this issue. He told me that I could officially announce this in the name of the [Russian] prime minister.

I instructed Natik Aliyev, president of the Azerbaijani state oil company, to formally announce this statement of the Russian prime minister during the Istanbul meeting today, and to declare that this is the view of the head of the Russian Government. However, it is not known who wrote that note, maybe it was anonymous.

In giving this information to you, I hope that you will inform London, your government, and your Foreign Ministry about this. I want to repeat that there is no reason for concern on this issue. We are going ahead with our own work and we are continuing the talks with the Western oil companies. I repeat that I have instructed our delegation to see that the talks lead to the signing of the contract.

Georgia

Russian Troops Reportedly Enter Abkhaz Territory

NC0706185394 Yerevan SNARK in English 1236 GMT 7 Jun 94

[Text] Tbilisi, June 7 (SNARK)—The Russian peacekeeping troops are entering the zone of Georgian-Abkhazian conflict, said to SNARK the Chairman of the Extraordinary Situations' Committee Jaba Ioseliani.

In Jaba Ioseliani's words, the process will take 10 days. Then two more weeks and the refugees are planned to bring back to the Gali region of Abkhazia. The special staffs will do with the people's return to their places of living, the staffs will work in Sukhumi, Zugdidi and Gali.

Abkhazia Denies Reports

LD0706171194 Moscow ITAR-TASS World Service in Russian 1435 GMT 7 Jun 94

[By ITAR-TASS correspondent Sergey Ostanin]

[Text] Moscow, 7 Jun—So far not a single subunit of the CIS or the UN peacekeeping forces has entered Abkhaz territory. Some media reports that such subunits have started to arrive at the Georgian-Abkhaz line of confrontation are not true. The ITAR-TASS correspondent has learned this at the press office of the Abkhaz Supreme Soviet today.

As everyone knows, the legislative bodies of the CIS states have not yet made any decision on the introduction of peacekeeping forces into the zone of conflict.

In accordance with the Georgian-Abkhaz agreements on a cease-fire and separation of the forces, which were signed in Moscow on 14 May, the peacekeeping forces will be deployed in the 12-kilometer-long strip of the security zone. The agreement also provides for the opposing sides to deploy armed formations, except for heavy combat machinery, in the zone where a limited range of arms is permitted. The peacekeeping forces will be expected to patrol the Kodor gorge as well.

As the press office has noted, following the arrival of the peacekeeping forces, the UN observers can leave the security zone, if necessary, provided they agree on this with the leaders of the opposing sides.

[Tbilisi CONTACT INFORMATION AGENCY in Russian at 1310 GMT on 7 June carries a similar report stating the following: "Russian mass media reported today, quoting Abkhaz sources, that the deployment of CIS peacekeeping forces in the conflict zone in Abkhazia has already begun. However, this was not confirmed by the Georgian Defense Ministry."]

Elections in 'Explosive' Western Areas To Go Ahead

MK0706131094 Moscow NEZAVISIMAYA GAZETA in Russian 7 Jun 94 p 3

[Unattributed NEGA report in the "Georgia" column]

[Text] On 12 June elections to the Georgian republic parliament will be held in another three hitherto explosive areas of western Georgia—Zugdidi, Tsalendzhik, and Tskhorotskusk. Each district will elect one deputy. (In October 1992, when Georgia-wide parliamentary elections were held, they did not take place in these areas owing to a complicated sociopolitical situation. At that time the districts were controlled by armed supporters of Zviad Gamsakhurdia).

Among the six deputies running for one seat in the Zugdidi district is Georgian Prime Minister Otari Patsatsiya. Born in Zugdidi, he held responsible economic and state posts in the district for several years. Many observers believe that Otari Patsatsiya will win these elections in the Zugdidi district, where his efforts to stabilize the situation in November 1993 are well remembered.

On 12 June, elections will also take place in the city of Rustavi in eastern Georgia. Zhiuli Shartava, Georgian parliament deputy from this city, was assassinated on 27 September 1993 by Abkhaz militants during the

storming of Sukhumi. At the time he was chairman of the Council of Ministers of the Abkhaz Autonomous Republic.

Generally, the issue of elections in Georgia is very acute. Some political parties propose that early parliamentary elections be held, considering it important to renew the parliament composition. Other parties believe that there is no need to hold elections to the Georgian parliament until Georgia's jurisdiction has been established over the territory of Abkhazia and South Ossetia.

Ardzinba Explains Political Goals

AU0806102694 Kiev HOLOS UKRAYINY in Ukrainian 4 Jun 94 pp 8, 10

[Interview with Vladislav Ardzinba, chairman of the Abkhazian Supreme Council, by HOLOS UKRAYINY special correspondent Lyudmyla Kokhanets in Abkhazia; date not given: "We Were Ready To Die in Order To Live"—first paragraph published in a box]

[Text] The Chairman of the Abkhazian Supreme Council Vladislav Ardzinba is 48 years old. In the West, he is considered to be a sensational politician. He is historian-ethnographer by profession and an expert in ancient history, doctor of historical sciences. Incidentally, he also heads the Abkhazian Institute of History, Ethnography, Language, and Literature. In fact, the institute no longer exists: During the time of the war, its building and the extremely rich resources were almost completely destroyed.

[Kokhanets] They say that history repeats itself: First as a tragedy and then—as a farce. What we see in Abkhazia indicates that history has repeated itself as a tragedy. From the point of view of a historian, why, do you think, the past has not taught people anything and why could the tragic analogy not be avoided?

[Ardzinba] History did, in fact, repeat itself in Abkhazia. A similar situation took shape in May 1918, right after the Georgian Democratic Republic was created. Its troops occupied our land, and the occupation lasted until 1925, when the sovereign Soviet Socialist Republic of Abkhazia was born. Then there was the year 1992. The Georgian invaders again want to teach the unruly Abkhazians a lesson with their weapons and remind them, at gun point, that they are "not a people, but an ethnic minority," so they should not press for rights. It is true that, this time, the "reminding" with tanks did not last too long—just one year. Why does history not teach people anything? Perhaps because a new generation is growing up, a generation that has a poor knowledge of history and which was brought up in the atmosphere of the propaganda asserting that Abkhazia has always been an integral part of Georgia. As you can see, there is nothing original about the style of our "big brothers."

[Kokhanets] Excuse my poor knowledge of history, but the majority of our people draw an analogy between Abkhazia and the Crimea and not between Abkhazia and Ukraine....

[Ardzinba] They are deeply mistaken. One should not accuse a people that has a long history of statehood, of separatism. Back in the sixth century, the early feudal principalities of Abkhazians, Apsylians [apsyly], and other Abkhazian tribes united into the Abkhazian Kingdom with Leon I at the head. Following the dynasty marriage between Leon I and daughter of Georgian King Mirian, who found asylum in Abkhazia after escaping from the persecution by cruel Murvan "the Deaf," the kingdom also included lands of the present western Georgia. One thinks sometimes that had Leon I known what that noble gesture would cause to his descendants, he would not have been in any hurry to warmly hug the persecuted neighbor.... However, these are lyrical digressions. If one proceeds from historical scientific facts, the assertion that "Abkhazia has always been an integral part of Georgia" only makes one wonder how competent its authors are.

Of course, there has been much in the long history of our mutual relations: Joint struggle against various conquerors and confrontation. However, I will not burden you with lessons in Abkhazian history. I will say one thing: When somebody tries to suppress a people, the latter develops immunity to that force. This is confirmed by facts of recent history. During the last decades of the existence of the [Soviet] Union, Abkhazia remained one of the most turbulent regions. Practically every decade, there used to be mass popular unrest: Abkhazians painfully reacted to the suppression of their national culture and language, mass resettlement, and destruction of the national elite. The well- tested method that Stalin and Beria had used to deal with the hated people—assimilation—nearly destroyed our people's roots, but when there appeared tanks on the streets, the patience of the Abkhazians was exhausted. They achieved freedom and independence. You know, in many Abkhazian families, people even raise toasts to invaders: Thanks for waking us up....

[Kokhanets] The Georgian-Abkhazian conflict is looked upon as a war of Christianity against Islam.

[Ardzinba] This is ridiculous. Abkhazia is one of the oldest Christian countries: The spread of the Christian religion to our land started as early as the second century. At present, Orthodox faith and Catholicism develop very actively in our country. There is a synagogue and a Buddhist temple, but..., unfortunately, not a single mosque. This is Islamic expansion for you. I used the word "unfortunately," because I believe that in any civilized society, all religious faiths must coexist, and people must decide for themselves where to pray to the Creator.

[Kokhanets] There exists a medical notion—"the narrowing down of consciousness." A person becomes fixed

on a certain thought or action and does not perceive anything beyond that. War is also characterized by the "narrowing down of consciousness." What do you think was the reason for the "disease" in those who raised weapons against civilians? I looked through the chronicle of the first days of the war—bullets fell on beaches and streets of the town.... Not only Abkhazians perished....

[Ardzinba] Not only. The war unleashed by Tbilisi was not only a crime against the Abkhazian people, but also against other people residing here, especially against those Georgians who lived in Abkhazia. The cause of the "disease" is known, we have already discussed it with you: Massive propaganda imposed upon Georgians over many years: Abkhazia is ours and Abkhazians are also Georgians, but only second-rate ones. When one is exposed to the hypnotic action of such propaganda, one tends to develop such a "narrowing down of the consciousness."

[Kokhanets] Another version of the reason for Tbilisi's conflicts with its autonomous republics is the following: As soon as a war among Georgians themselves starts in Georgia, the cunning politicians transfer the center of tension to provinces—Abkhazia, Adzharia, or South Ossetia. It is as though the march on Abkhazia was an attempt on the part of Tbilisi to quench the fire of its own civil war with the gasoline of the Abkhazian conflict. Do you agree with such a version?

[Ardzinba] I believe that this is one of the main reasons why Georgian troops were sent to Abkhazia. Every time, when it is necessary to distract the people's attention from the internal political struggle, a slogan is put forward: "Everybody get ready to march on...." This can even be followed by numerous examples of the recent period. I think that, with a sensible approach, it was possible to avoid bloodshed both in South Ossetia and in Abkhazia. This is also possible today, if the leaders had enough courage to tell their own people the truth.

[Kokhanets] Do you believe in such courage?

[Ardzinba] You know what particularly disturbed me during this war? That there was not a single person who would question the need to bring troops to the territory of unarmed Abkhazia as a just settlement of tension in our relations. Not a single voice, can you imagine? Not a single protest—what are you doing, stop! That aggressive silence simply killed me. However, this is perhaps the state of our society. The events that recently took place on the territory of Georgia, once again confirm this distressing diagnosis. A president was elected in Georgia—whether good or bad is another question. I am not, personally, a supporter of Gamsakhurdia. However, he was elected by the people, and he should have been deposed in a lawful manner. Instead, a coup d'etat took place. Its main initiator was, of course, Shevardnadze, who seemed to have found himself on the fringes of politics, but did not lose strength. As a result of that coup, Shevardnadze came to power in an iniquitous way. Yet, the international community recognized it as a lawful procedure and enabled Eduard Amvrosiyevich [Shevardnadze] to conclude that he could clear his path toward the goal by force. That force showed itself in Abkhazia.

[Kokhanets] Did it not occur to you, when you saw tanks on the streets of Sukhumi, that Shevardnadze could not, on his own, adopt the decision to bring in troops?

[Ardzinba] No, it did not. I am convinced that he had received full consent to that. Obviously, leaders of the most powerful states had discussed that issue. I can assume that Shevardnadze had assured them that the troops were brought in to guard the railroad and they pretended that they believed him. So he did not have to wait too long for permission. We are not naive: We understand very well that one phone call was sufficient to halt the tanks. Judging by everything, there was no such call. On that day, 14 August 1992, I tried to get through to Tbilisi, but nobody picked up the receiver. I realized that the "big brothers" were demonstrating: Abkhazia is a graphic example of how others will be punished if they contemplate seceding with their age-old territory.

Shevardnadze later asserted that the Abkhazian leadership and I in particular had given permission to bring in the troops. This is blasphemy. The day before, on the 13th, when we learned that the troops of the State Council were heading for Mingrelia, I telephoned the Georgian leader and asked him what was the purpose of that and whether the tanks would proceed further to Abkhazia. Mr. Shevardnadze assured me: No, by no means! On the 14th, the tanks appeared on our streets.

[Kokhanets] The state of transition from peace to war is accompanied by the feeling of irrationality in what is going on. I felt that throughout the week of my stay in the land, where there only remain traces of war. What I see around me is incomprehensible. Where is that boundary between war and peace?

[Ardzinba] One can only comprehend and feel this in full measure if one experiences all of this. When we look back to August 1992, we realize how naive we were. I remember a colleague of mine tell his family by telephone: Stay at home, do not go into the street, they will not come to the house.... Awful. We still hoped that it was possible to come to an agreement through negotiations, that it was possible to convince them: Take away your troops and tanks. Unfortunately, too late, only after we became sure that those people had come to kill us and kill us in our own homes, did we proceed to active defense. We had no other alternative. That process of transition from the state of peace to war was very difficult. However, I admit, the opposite process—from the state of war to peace—was even more difficult.

[Kokhanets] With whom, on the other side, do you think it is possible to hold a dialogue? To whom is it possible to turn, at a simple human level, for informal conciliation—Georgia, for example, has always been famous for its wise intellectuals.

[Ardzinba] We are ready to talk with anyone who looks at things soberly and is prepared to critically analyze everything that happened. Unfortunately, I do not see signs of growing sobriety. If only their leaders tried to tell the truth—not to us, but to their own people that the bringing in of troops and the war that was unleashed were a mistake and that they are ready to take the responsibility upon themselves. Attempts to mislead everybody are continuing. This is also attested to by Eduard Shevardnadze's last speech at the UN Security Council session. Again the same crafty political tricks: We guarded the railroad, we fought against terrorists.... It is impossible to conduct a policy through deception. Although I am sure that, deep in his heart, the Georgian leader realizes that he miscalculated.

As regards intellectuals.... I am sure that such people exist. I know them. However, I would not like to name them, as I do not want to bring disaster upon them. The only way to save the hurt ambition of the Georgian people is, I reiterate, to tell them the truth.

[Kokhanets] In Tbilisi, I met with refugees from Abkhazia. It was difficult for many of them to grasp the truth—they tell of terrible things—torture, persecution, and murder of women and children. Just recall at least the forced escape through the snow- covered mountains of Svanetia....

[Ardzinba] Unfortunately, war is always associated with violations of human rights and with large numbers of innocent victims. I could quote thousands of cases of similar violations of human rights by our adversary. Besides, the Georgian side is deliberately stirring up passions. You were probably told about mass atrocities at the stadium in Gagry, about dismembered corpses and severed heads.... People do not know that, at the worst time of the war, we sent our soldiers to guard Georgian villages, so that nobody would try to take revenge upon the population for the relatives who had been murdered. One more fact. Whereas during the war, Abkhazians could not speak their native language in the street for fear of death, just go to the market place today—Georgians freely sell their merchandise there, and they work in the town and speak Georgian, and nobody threatens them with death for that. One must simply stop being biased and try to understand that if, some day, tanks had entered Tbilisi, Georgians would have reacted in exactly the same way. Of course, there are incidents of persecution against Georgians. It would be a lie to deny this. However, authorities decisively condemn this. Dozens of criminal cases have been initiated in our country to investigate facts of violation of human rights. Even sentences have already been announced—the death penalty.

[Kokhanets] Does the fact that individual UNSO [Ukrainian National Self-Defense] fighters participated in the war on the Georgian side affect your attitude toward Ukraine?

[Ardzinba] Ukraine is a great power, and we should not spoil relations with it on the basis of just one fact. I think that, by fighting for the territorial integrity of Georgia, the UNSO members did not antagonize Russia, but supported its imperial encroachments upon Ukraine. However, forget about them....

Representatives of Western powers told me that in Geneva an organization exists called "Friends of Georgia," which is represented by the most powerful world powers. Is it really a worthy occupation for the whole world to fight against such a small people? On the contrary, it must be protected. Moreover, if somebody really wants good for Georgia and strives to play the role of a peace-keeper, let him create the committee "Friends of Georgia and Abkhazia." This will really be a struggle for establishing peace in the Caucasus. However.... Unfortunately, the one-sided position still marks international diplomacy.

We are interested in developing most friendly relations with Ukraine. There are two sanatoriums on the territory of Abkhazia and they will continue to be the property of Ukraine. Let your people come and have rest in our country. Tension will not prevail here forever. Ukraine provided humanitarian aid for us, and we will always be grateful for that to its great and beautiful people.

[Kokhanets] Things are clear with Ukraine. How can you comment upon the statements by the Georgian side to the effect that Russia helped Abkhazia win this war?

[Ardzinba] I think that this is the fantasy of the Georgian politicians, who are ashamed to admit that small Abkhazia defeated them. The defeat from strong Russia is much less painful for their pride. On the contrary, one of the reasons for unleashing the war was the fact that, in accordance with the Tashkent agreement, Russia transferred to Tbilisi those weapons that had been deployed on the territory of Georgia (this was forbidden with regard to those countries where there were interethnic conflicts). When Tbilisi acquired tanks, aviation, and artillery—and there was an unarmed people nearby—it was difficult to resist the temptation to resolve all problems by armed force. Therefore those who gave the weapons to the aggressor bear much of the responsibility.

Of course, there are different forces in Russia. I am convinced that the people are very well disposed toward us. With regard to leaders, I will not make a secret out of the fact that there are forces interested in maintaining tension in Abkhazia. We know what these forces are.

We have two alternative ways: Abkhazia's complete independence and a possible search for compromise with Georgia. However, we will not allow our further relations to be based upon the principle of relations between the center and a colony. Of course, this must be discussed at a negotiating table and, possibly, through a referendum, but not by pressure or physical annihilation.

[Kokhanets] You are speaking about the possibility of a referendum?

[Ardzinba] Yes. The main form for determining our future is through studying public opinion. However, now, we cannot hold a referendum: That part of the Georgian population, which, in accordance with the agreement, must return to the territory of Abkhazia, has not yet returned. All those people who did not fight against us, did not kill Abkhazians, and did not plunder our homes, will have such a possibility.

[Kokhanets] What are the criteria for determining guilt or innocence?

[Ardzinba] In the course of military actions, we seized lists of those who had belonged to armed formations of Georgians and participated in the war on the Georgian side (many Georgians, like also, incidentally, local Ukrainians, fought on the Abkhazian side). We have testimonies of victims and a whole card-index of documents and statements. Of course, the gate on the Inguri [River] will not be opened to war criminals or bandits.

[Kokhanets] Do you have problems with Abkhazia's Russian- speaking population?

[Ardzinba] Unfortunately, we do. Quite a number. Incidentally, when Russia declared its economic blockade of Abkhazia, this primarily affected local Russians. In words, the present Moscow politicians promote the protection of Russians throughout the world, but in fact, they do everything so that those Russians have problems.

[Kokhanets] I will ask you an indiscreet question, Vladislav Grigoryevich. During these days, I became convinced that the people—from the very old to toddlers—love you very much: Without exaggeration, they almost idolize you. Will not yet another personality cult result from such nationwide adoration? Are you not alerted by this?

[Ardzinba] Perhaps much depends upon the person. However, you exaggerate about nationwide adoration. Even if it had been, it is possible to avoid the personality cult: It is very important to build the structure of the state apparatus in such a way that the people would be able to control any power. It seems to me that this is precisely what will happen in our country. I will tell you honestly, I am not afraid of creating my own cult, because it is not supreme power or omnipotence that I am dreaming about, but my return to the Institute of History, Language, and Literature. My place and my destiny are there. I will, in every way, take advantage of favorable circumstances in order to go back to my favorite occupation....

[Kokhanets] Tell me, are you afraid of death?

[Ardzinba] Simply stated, during the time of the war I became convinced that life is much better. We were ready to die in order to live.

Estonia

Churkin Views Visit Positively, Leaves Tallinn

LD0806102394 Tallinn Radio Tallinn Network in Estonian 1000 GMT 8 Jun 94

[Text] Russian Deputy Foreign Minister Vitaliy Churkin said at a news conference, which he gave before departing from Tallinn today, that he is very pleased with the present atmosphere of talks and that goodwill on the Estonian side was much in evidence. In addition to talks with Raul Malk, the Estonian Foreign Ministry's deputy chancellor, Churkin had a meeting yesterday [7 June] with President Lennart Meri and Foreign Minister Juri Luik.

Churkin opined that both parties genuinely wish to resolve all the problems as quickly as possible in order to close a chapter in Estonian-Russian relations and open a new one. Taking into account the agreements reached in the course of Russian Foreign Minister Andrey Kozyrev's visit to Tallinn at the end of May, Churkin thought that talks are nearing the finishing line.

The next meeting between Churkin and Malk will evidently take place next week in Moscow.

Foreign Minister Departs for Istanbul

LD0806102894 Tallinn Radio Tallinn Network in Estonian 0900 GMT 8 Jum 94

[Excerpts] Foreign Minister Juri Luik left for Istanbul today where a session of the North Atlantic Cooperation Council will take place on 9 and 10 June. [passage omitted]

Juri Luik will be making a speech at the session. The foreign minister is accompanied by Ambassador Clyde Kull, who is the Estonian representative at the cooperation council; Ambassador Vaino Reinart, the head of the number one office at the Foreign Ministry's policy department; and (Aivo Orav), an employee of the office. [passage omitted]

Foreign Minister Luik will travel from Istanbul on to Beijing, where he will be accompanying President Meri on his state visit to China.

Israeli Arms Deal Go-Between Sponsored Election Campaigns

WS0806104394 Tallinn ETA in English 1528 GMT 7 Jun 94

["News Release"]

[Text] Go-between in controversial $60 million arms deal between Estonia and TAAS Israel Industries Ltd., Leonid Apananski, had in 1992 sponsored the election campaign of three prominent members of the ruling Fatherland Party, former Defence Minister Indrek Kannik told the Estonian Radio on Tuesday. Kannik said Apananski had sponsored present Foreign Minister Juri Luik, MP Mart Nutt and himself with 9,000 kroons ($692).

"I am sorry that those documents from Fatherlandos election-time archive should have come out now," Kannik said while adding that the archives had stayed with Tiit Pruuli, the former adviser to Prime Minister Mart Laar. Kannik also said Laar and Pruuli had advised them to ask Apananski for campaign funds. Kannik's interview came a day after MP Aivar Kala had accused Kannik of accepting Apananski's funds.

Free Trade Agreement With EU Stalls Over Textiles

WS0706115994 Tallinn BNS in English 1805 GMT 6 Jun 94

[Text] Tallinn, June 06, BNS—The problems in the field of textiles connected with a free-trade agreement between Estonia and the European Union remain unsettled, Foreign Ministry Chancellor Priit Kolbre, who led the Estonian delegation at the latest round of talks in Brussels June 2-3, said at a press conference in Tallinn today.

Kolbre said the talks proceeded in the fishing, farming, customs and textile groups, and that the plenary session discussed the basic text of the free-trade agreement and problems concerning the working groups. "We took a long step forward, but failed to wind up the negotiations," he said, adding that big problems persisted in textile issues.

Signe Ratso, the deputy head of the Economics Ministry foreign trade department, told reporters Estonia's opposition to a double control system was the stumbling block. The European Union wants Estonia to introduce a license system to establish control over the export of clothing and textiles, whereas the Baltic nation claims licenses are inconsistent with its principles of liberalization of trade and cause considerable expense to both the state and enterprises.

The fishing group, on the other hand, made good progress, Director General Lauri Vaarja of the Fishing Administration reported. Estonia was able to justify the need for bigger import quotas than those offered by the European Union.

Agriculture Ministry Deputy Chancellor Ruve Sank said the rules for applying farming produce quotas exclude Estonian enterprises from the European Union market and they can market their produce in Europe only through local companies. The meeting reached agreement on increasing the quotas for some goods, including cheese and alcohol.

The customs group focused on rules of origin. Here, too, some problems remained open. Estonia proposed changes in rules applied to coffee, cigarettes, and hand-painted porcelain and silk. Agreement was reached on

coffee but not on cigarettes. The reply on rules of origin for handicrafts will be forthcoming in the next few weeks.

The working groups of the two sides coordinated the general principles of a bilateral free-trade agreement in February. It has been agreed in principle that the agreement steps into force at the beginning of the next year. Unlike Latvia and Lithuania, Estonia's agreement with the European Union is not going to provide for a transition period.

Latvia

Prime Minister Takes Over Foreign Ministry

LD0706183794 Riga Radio Riga Network in Latvian 1700 GMT 7 Jun 94

[Text] Today, at the beginning of the government's sitting, Prime Minister Valdis Birkavs announced to those present that he accepted the resignation of Georgs Andrejevs from his position of foreign minister. Birkavs expressed gratitude to Andrejevs for his work, and recognized that his achievement to the good of Latvia would be assessed by history.

Until there is discussion of the candidature of a new minister of foreign affairs, his duties will be discharged by Birkavs himself; but Gunars Meierovics [minister of state for Baltic and Nordic affairs], Olgerts Pavlovskis [minister of state for foreign trade and European Community affairs], and Martins Virsis [first deputy minister of foreign affairs] have been instructed to fulfill the positions they have held until now.

Yesterday the presidium of the Saeima accepted an application by the Foreign Minister Georgs Andrejevs, in which the minister gave up his deputy's mandate, and instructed the central electoral commission to determine that candidate deputy of the Way of Latvia union who would assume the place of Andrejevs. I would be truly satisfied if my resignation would assist the public and the legislators to comprehend the necessity of alterations to the legislation of Latvia, emphasized Andrejevs in his statement to the mass media.

For your information, Georgs Andrejevs occupied the position of minister of foreign affairs since 10 November 1992.

Lithuania Attends Talks on Russia Border Issues

LD0706230094 Vilnius Radio Vilnius in English 1900 GMT 7 Jun 94

[Excerpt] In the Latvian sea resort of Jurmala on Tuesday, the Lithuanian and Latvian prime ministers, Adolfas Slezevicius and Valdis Birkavs, discussed border delimitation issues. Pollution of the sea border with Latvia is a very sensitive point, which is related to the construction of an oil terminal on the Baltic Sea coast. The two prime ministers also dealt with issues of the export and import of farming produce, population, and environmental protection, as well as between the parliaments and governments of the two states.

Unofficial sources say that if Latvia's position on the sea border is not acceptable to Lithuania, Prime Minister Adolfas Slezevicius is not going to sign any agreement on that issue.

Also on Tuesday, the negotiating delegations of Lithuania and Russia opened a new round of talks. Two expert groups coordinated their positions on the issue of border checkpoints between Lithuania and the Russian enclave of Kaliningrad. Three transit points are planned to be opened; one of these in Nida in [words indistinct], a narrow strip of land jutting out into the Baltic Sea north of the Kaliningrad Region, and as far as the Lithuanian sea port of Klaipeda. Another two border crossing points of [words indistinct] will be used only by citizens of Lithuania and Russia. [passage omitted]

No Maritime Border Agreement Reached

LD0806092594

[Editorial Report] Vilnius Radio Vilnius Network in Lithuanian at 0725 GMT on 8 June broadcasts a report on Lithuanian Prime Minister Adolfas Slezevicius' meeting with his Latvian counterpart, Valdis Birkavs, in Jurmala, Latvia, yesterday. The unidentified correspondent states that the main objective of the meeting was to discuss a draft agreement on the maritime border and the maritime economic border between Latvia and Lithuania.

The correspondent goes on to say that the Lithuanian prime minister, speaking on Lithuanian radio, said: "We are close to a possible agreement. However, I must say that again yesterday we failed to adopt the solutions. A 2.5 km economic maritime zone with Sweden still remains in dispute. We think that next Monday [13 June] we will be able to discuss this issue again."

The correspondent notes that the prime minister also said that an agreement on the state maritime border will be prepared and signed in Tallinn next Monday. Speaking about cooperation between the Lithuanian and Latvian customs services, the correspondent says, the prime minister said that "the situation on the Lithuanian-Latvian border causes concern to everybody. The problem can be solved if both sides take a benevolent stand on the matter." However, the correspondent adds, he did not specify what exactly the problem is that is causing concern.

The report ends with the correspondent noting that when the prime minister presented his view on the interpolation to his government, the prime minister said that "this is an important political event in the political life of our country. We regard this fact as a constitutional norm, as a normal process," adding that the government is prepared to stand its ground and to give answers to all

the issues raised in parliament next week when the vote of no confidence in the government will be discussed.

Lithuania

Central Bank Freezes Commercial Bank Mandatory Deposits

LD0706143394 Vilnius Radio Vilnius Network in Lithuanian 1100 GMT 7 Jun 94

[Text] The right to use mandatory deposits by the Ateitis and Nida commercial banks was suspended yesterday by the Lithuanian Central Bank. This was reported by Egle Valyte, press spokesman for the Lithuanian Central Bank.

The statement disseminated by the Lithuanian Central Bank today stresses that this decision is aimed at protecting the interests of the creditors. The decision was made after the Lithuanian Central Bank administration made amendments to the rules on mandatory reserves of commercial banks on 3 June. The use of mandatory reserves deposited at the Lithuanian Central Bank are restricted if the banks violate their obligations and are not able to settle accounts in full with their creditors.

We have already reported that the Apus, Express, and Lietukis commercial banks had their right to use the mandatory reserves suspended by the Administration Board of the Lithuanian Central Bank on 3d June.

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